A Synopsis of Budget 2001 and
the 2001-2004 Alberta Government Business Plan

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Budget 2001 | Synopsis

Alberta
GOVERNMENT OF ALBERTA

Meeting Albertans Priorities and *Sharing the Benefits* in Budget 2001

MINISTER'S MESSAGE

In Budget 2001, the Klein government is focused on meeting the priorities Albertans have set for us and sharing the benefits of our prosperous economy.

Albertans said their priorities are:

- a debt-free future,
- the lowest overall taxes in Canada,
- a strong and healthy economy,
- access to a high-quality health system, and
- a leading-edge education system.

We are meeting these priorities and Albertans are seeing the benefits. For example:

- If resource revenues remain high, the debt could be eliminated sooner than expected. We are currently nine years ahead of the 25-year legislated requirement.
- Albertans enjoy the highest disposable incomes in Canada and Alberta has the lowest unemployment rate.
- Our province also has the best-educated workforce in Canada and among the highest life expectancies in the world.

As your government, we will continue to look at new and better ways of providing programs and services that meet your priorities and allow all Albertans to share the benefits. We will continue to enhance the quality of life of Albertans, while keeping our budget balanced and spending within our means.

We will also continue to be accountable to Albertans by setting goals and targets in our business plans and reporting on our performance.

This synopsis of Budget 2001 highlights the strengths of the Alberta Advantage for the coming three years.

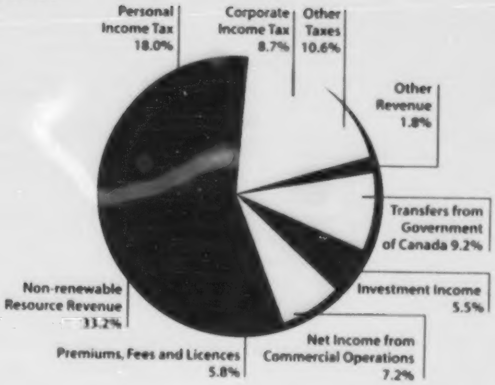
Patricia L. Nelson
Minister of Finance

PART A THE FISCAL PLAN

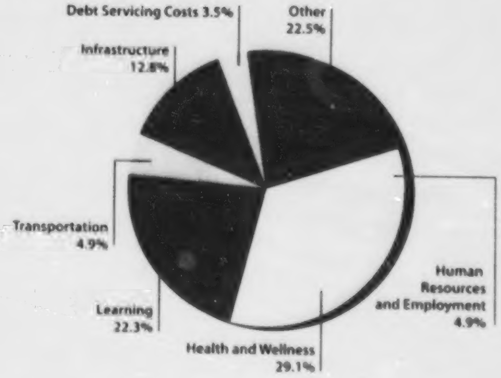
Budget 2001 is broken into two sections: the Government's Fiscal Plan and the Government's Business Plan. Part A of this brochure is a summary of the Fiscal Plan, in which we outline Alberta's:

- Fiscal Advantage – Albertans and their children will be freed from the burden of provincial debt.
- Tax Advantage – Albertans will continue to pay the lowest overall taxes in Canada.
- Economic Advantage – Alberta will continue to have a business climate that attracts investment and creates new jobs.
- Quality of Life – Albertans will continue to have a high quality of life.

Revenue



Expense



Total revenue for 2001-02 is budgeted at $22.7 billion with total expense budgeted at $21.6 billion. After deducting the $274 million net increase in capital assets, the economic cushion is budgeted at $817 million.

ALBERTA'S FISCAL ADVANTAGE

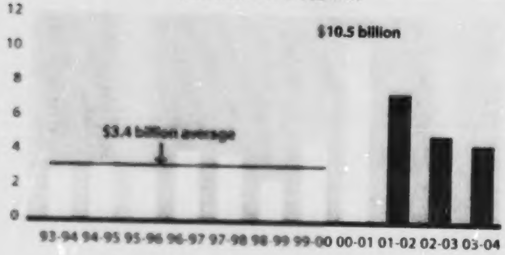
Alberta's fiscal success since 1993 has been guided by five basic principles. The Klein government will continue to follow these sensible rules. As required by the *Fiscal Responsibility Act* and the *Government Accountability Act:*

- **Budgets will be balanced every year.**
- **Debt will be repaid.**
- **Revenue forecasts will be prudent.**
- **Spending plans will be affordable.**
- **The government will be open and accountable to Albertans.**

Managing Revenue Volatility

An ongoing challenge for Alberta is budgeting and planning in the face of revenue volatility. In 1998-99, the oil price was US $13.70 per barrel and the natural gas price was Cdn $1.98 per thousand cubic feet. Last year, oil averaged US $30.20 and natural gas averaged Cdn $6.07. That resulted in a swing of over $8 billion in resource revenue over just two years, from $2.4 billion to $10.5 billion.

NON-RENEWABLE RESOURCE REVENUE
(BILLIONS OF DOLLARS)



The current spike in resource revenue has created high expectations about what the government can afford to do. However, past experience has shown that energy prices can go down as quickly as they have gone up. The government will continue its successful approach to managing revenue volatility.

- Revenue will continue to be forecast on a prudent basis
- An economic cushion will be set aside to protect against revenue uncertainties
- Clear distinctions will be made between what tax cuts and spending are affordable over the longer-term and what can be afforded only on a one-time basis.

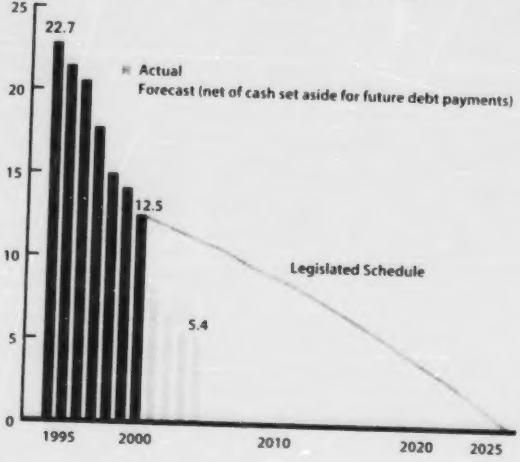
Budget 2001 forecasts oil at US$25 per barrel and natural gas at Cdn$5.03 per thousand cubic feet for 2001-02, declining to US $21 for oil and Cdn $3.44 for natural gas over the following two years.

Creating a Debt-Free Alberta

Alberta could soon be debt-free. Over the four years from 2000-01 until 2003-04, debt will be paid down by $7.1 billion. By March 31, 2004 the debt will fall to $5.4 billion.

The projected debt paydown puts us nine years ahead of the legislated 25-year schedule. But if energy prices remain at the high levels projected by some private sector analysts, the debt could be completely eliminated by 2004.

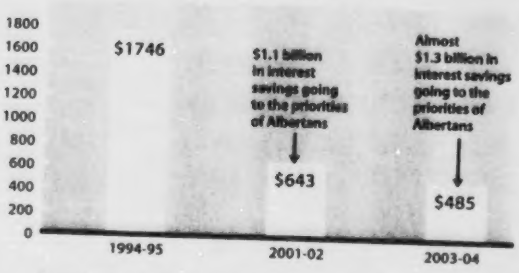
ACCUMULATED DEBT
AT MARCH 31 (BILLIONS OF DOLLARS)



Debt servicing costs

As debt is repaid, interest costs on the debt decline. The net costs of servicing the debt are expected to decline from the peak of $1.75 billion in 1994-95 to $643 million in 2001-02.

DEBT SERVICING COSTS[a]
(IN BILLIONS OF DOLLARS)



[a] Net of interest earned on debt retirement funds

By 2003-04, net debt servicing costs are expected to drop to about $485 million, almost $1.3 billion less than in 1994-95. These interest savings free up money permanently for Albertans' priorities.

It's Your Money Survey

With the possibility of eliminating our debt in just two or three years, the government decided it was the right time to ask Albertans what their priorities will be when Alberta is debt free through the *It's Your Money* survey.

Albertans' opinions were clear. They said their top priority will be putting money back in their pockets through permanent tax reductions and one-time rebates. There was also support for saving some money for the future in years of exceptionally high revenue after the debt is repaid.

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ALBERTA'S TAX ADVANTAGE

In Budget 2001, Alberta's tax advantage rewards initiative, spurs economic growth and job creation, and leaves more dollars in Albertans' pockets. Our tax advantages include:

- **the lowest overall tax burden in Canada,**
- **no provincial sales tax,**
- **a new single-rate personal income tax system with cuts for Albertans at all income levels,**
- **low business taxes with more cuts planned for the coming years, and**
- **low property taxes,**
- **the lowest fuel taxes in Canada.**

It is anticipated that, by 2006, the combined effects of the personal and business tax cuts will increase the size of Alberta's economy by 3.2% or $4.3 billion. That should produce over 40,000 new jobs for Albertans.

Personal Income Tax

Over the last eight years, the government has done a lot to strengthen the Alberta Tax Advantage. The beginning of this year saw the implementation of more than a billion dollars in cuts to personal income taxes. Albertans in every income group benefit from the reductions. For example:

- In 2001, a one-income family earning $30,000 with two children will pay almost 80% less in provincial taxes and health care insurance premiums than a similar family would pay, on average, in other provinces.
- Two-income families earning $60,000 or $100,000 with two children will both pay close to 40% less than similar families would pay, on average, in other provinces.

Business Tax Cuts

Business taxes are also being cut. As part of a four-year plan to reduce business taxes in Alberta by $1 billion, the government has cut the taxes Alberta business pays by $286 million this year. Corporate income tax rates are being cut for all businesses, large and small, starting April 1, 2001.

School Property Taxes

In addition to business and personal tax cuts, school property taxes have also been reduced. On January 1, school property taxes were cut by $135 million to $1.2 billion and frozen at this level for future years. The reduction will not result in a reduction in education spending – instead, a greater share of education costs will come from other government revenues.

A DECADE OF TAX CUTS, 1994-2004
(MILLIONS OF DOLLARS)

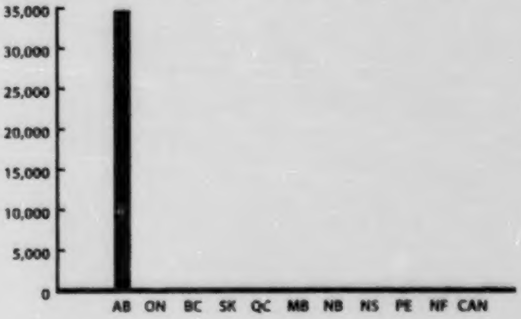
Savings for Individuals	
Personal Income Tax	2,328
Alberta Family Employment Tax Credit	80
School Property Tax on Residential & Farm Properties	341
Savings for Individuals	2,749
Savings for Business	
Corporate Income Tax	956
Financial Institutions Capital Tax	40
School Property Tax on Business	247
School Property Tax on Machinery and Equipment	230
Aviation Fuel Tax	29
Railway Fuel Tax	19
Savings for Business	1,521
Total Savings for Individuals and Business	**4,270**

The difference in tax that would be paid in 2004 under the 1994 tax system and the amount that will be paid under the 2004 system when all cuts are phased in.

ALBERTA'S ECONOMIC ADVANTAGE

High energy prices led to a strong rebound in the energy sector in 2000. This helped Alberta's economy grow by an impressive 6.1% in 2000, the fastest growth among provinces. Continued strong economic growth of 4.8% is expected in 2001, spurred by personal and business tax cuts.

REAL GDP PER CAPITA
1996-2000 ANNUAL AVERAGE (DOLLARS PER CAPITA)



The strong economic growth in 2000 reflected more than just a booming energy sector. Over the last eight years, Alberta's economy has become more diversified and less susceptible to volatile commodity price fluctuations. In 1985, the energy sector accounted for 37% of Alberta's GDP. In 1999, it accounts for just 21%.

Energy Costs

Albertans and Alberta businesses are receiving nearly $4.3 billion in assistance with the higher-than-normal energy costs being felt across North America. The money for assistance programs is coming from the recent electricity auctions and some of the government's record resource revenues. These programs are providing a typical Alberta family with $1,680 in energy cost assistance.

Through legislation, the government will continue to provide rebates on monthly natural gas bills when assistance is needed to help protect Albertans from high prices. This budget has set aside an additional $125 million for potential continued shielding this year.

Agriculture

Budget 2001 includes funding to provide urgently needed support this spring to agriculture producers across the province. As well, recommendations from the Crop Insurance Review will be implemented for the 2001 and 2002 crop years.

Infrastructure

Since January 1997, close to 137,000 people have moved to Alberta to be a part of the Alberta Advantage. On top of the ongoing base budgets of over $1 billion a year, an additional $4.2 billion of one-time accelerated funding has been allocated to meet infrastructure needs from 2000-01 to 2003-04. In total, $8.4 billion will be allocated over those four years for projects including:

- roads and public transit,
- construction of new health facilities and updating and expanding existing health facilities, including two new centres of excellence in cardiac, and bone and joint care,
- assistance with two new health research innovation centres,
- new schools, school modernizations and renovations,
- new post-secondary buildings, and upgrading and renovating existing facilities,
- water and wastewater facilities, including municipal projects, dam refurbishment and improvements to the irrigation network in southern Alberta,
- the Alberta SUPERNET, which will provide high-speed Internet services to 420 communities across the province, connecting every school, hospital, library and government facility, and
- the new Infrastructure Canada/Alberta Program with municipalities.

ALBERTANS' QUALITY OF LIFE
SHARING THE BENEFITS

The government can take advantage of short-term revenue spikes to accelerate debt payment, and fund energy shielding, agriculture support and infrastructure on a short-term basis. However, ongoing base spending increases must be affordable within longer-term base revenue growth that averages about 4% per year.

Alberta is increasing base spending by 13.4%, or $2.3 billion, over the next three years, including a 6.3%, or $1.1 billion, increase in 2001-02.

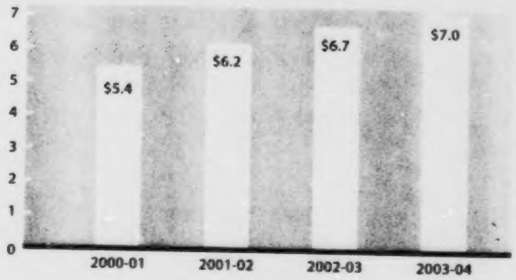
These spending increases are going primarily toward health and education, but also to strengthen communities, protect the environment, and support seniors, children and others with special needs.

Health and Wellness

In 2001-02, Health and Wellness will spend over $17 million a day, every day on health care. Base spending by the ministry will increase by $737 million, or 13.5% in 2001-02 and by $1.5 billion, or 28.1%, over the next three years. $390 million is being provided in 2001-02 for salary increases for physicians, nurses and other health workers, growing to $835 million by 2003-04. The remaining funding increases of $347 million, or 6.4%, in 2001-02 and $694 million, or 12.7%, over the next three years will fund services including:

- organ and bone marrow transplants, major heart surgeries, and kidney dialysis,
- recruiting and retaining more physicians,
- increasing residency positions for rural family medicine,
- more MRI scans,
- expanding immunization programs,
- more high-cost drugs in treating cancer,
- enhancing the Breast Cancer Screening program,
- enhancing the Tobacco Reduction Initiative, and
- expanding children's health initiatives.

HEALTH AND WELLNESS[a]
(BILLIONS OF DOLLARS)



[a] Base spending, excludes one-time spending

Learning

In 2001-02, Alberta will spend over $13 million a day, every day on Learning. Program spending by Learning will increase by $343 million, or 7.7%, in 2001-02 and $854 million, or 19.1%, over the next three years.

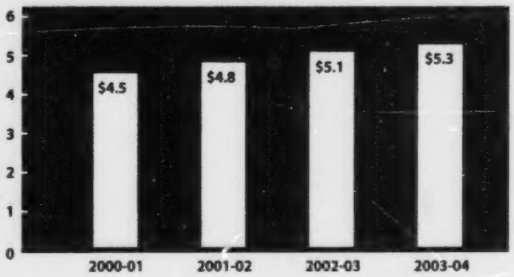
School boards will receive more money for:

- enrollment increases,
- teacher salary increases,
- per student operating grants for classroom priorities such as class sizes, and
- students with severe disabilities.

Post-secondary institutions will receive increases to:

- create 1,200 new post-secondary student spaces each year over the next three years in areas including health, business, teacher education, and information and communication technology,
- expand the number of apprenticeship spaces,
- increase base operational funding,
- address past funding inequities, and
- attract and retain top-notch faculty in critical areas such as medicine, computer science, engineering and business.

LEARNING
(BILLIONS OF DOLLARS)



This government believes that financial need should not be a barrier to post-secondary education. With these significant spending increases, it is expected that post-secondary institutions will limit tuition increases. In addition, the government will provide students with over $70 million through the Alberta student loan remission program in 2001-02. Funding for scholarship programs will increase by 43% to $33 million by 2003-04.

Children

Children's Services is receiving an increase of $105 million, or 18%, over the next three years to support children at risk and respond to the recommendations of the Alberta Children's Forum and the Task Force on Children at Risk. Some of the major initiatives include:

- expansion of outreach services, and treatment and prevention programs to support the amended Protection of Children Involved in Prostitution Act,
- increased funding for the Alberta Partnership on Fetal Alcohol Syndrome, and
- new programs focused on early intervention strategies and troubled youth.

Seniors

Additional money will be spent to ensure seniors have access to the supports they need to live as independently as possible in a secure and dignified way, including:

- an increase of $15 million over three years for lower-income seniors through the Alberta Seniors Benefit and Special Needs Assistance for Seniors programs, and
- funding to support 300 new seniors' lodge units each year for the next three years.

Support for those in Need

More money for Albertans in need includes:

- an increase of $54 million, or 18%, over the next three years for the Alberta Assured Income for the Severely Handicapped (AISH) to support growing demand and costs per client,
- a 50% increase to $18.7 million in 2001-02 for family and special purpose housing providers to assist with maintenance and operating costs, and
- $13 million per year to address homelessness.

Protecting the Environment

In our effort to preserve Alberta's pristine environment:

- in 2001-02, $70 million has been allocated to address problems with underground petroleum storage tank sites, in addition to the $10 million allocated in 2000-01,
- $8.4 million has been allocated to determine the effects of air emissions on animal health, and
- Health and Wellness is contributing funds to a parallel study on human health effects.

Strengthening Communities

- Increase provincial funding to the RCMP by $16.4 million in 2001-02, and by $24.5 million by 2003-04, to ensure an effective level of policing services in smaller communities and rural areas.
- Increase spending by $4.7 million in 2001-02, and by $7.4 million by 2003-04, to improve the legal aid system and ensure more low-income Albertans have access to it.
- Up to $10 million will be provided in 2001-02 for the 2001 World Championships in Athletics to be held in Edmonton in August. This brings total provincial funding to up to $40 million.

PART B THE BUSINESS PLAN

Part B of this brochure is a synopsis of the 2001 to 2004 Alberta Government Business Plan. It is another way the provincial government is accountable to the people of Alberta. Business plans help government meet Albertans' priorities and share with them the benefits of the Alberta Advantage by setting goals based on the values of Albertans.

The provincial government's success is based on meeting the priorities of its citizens. The job of government is to ensure that those priorities are reflected in its programs and services, and that the benefits reach all Albertans.

Albertans value:

- Independence – making our own choices and finding our own paths, free of discrimination and unnecessary impediments.
- Innovation – trying new ideas and finding new ways of doing things.
- People – ensuring that all members of society, especially the most vulnerable, can participate fully in the life of the province.
- Fiscal Responsibility – living within our means, and making wise choices that reflect our needs and priorities.

Addressing these priorities is the focus of the government's 2001-04 business plan. The government's efforts will concentrate on:

- improving health care,
- striving for excellence in education,
- continuing the tradition of wise fiscal management and low taxes,
- caring for children and supporting seniors and families, and
- investing in infrastructure.

Our Goals

The government's activities are focused on three core businesses: *People, Prosperity and Preservation.*

Key strategies have been set out for achieving these goals along with targets for measurement.

PEOPLE

The goals for the *People* core business are directed at improving the quality of life in Alberta for individuals and their families through the government's priorities for health, education, our children, those in need, and Aboriginal Albertans.

PROSPERITY

The goals for the *Prosperity* core business focus on protecting the quality of life in Alberta through the government's priorities for our economy, work force and work places, infrastructure, value-added industries, export trade, and financial and fiscal position.

PRESERVATION

The goals for the *Preservation* core business reflect the government's priorities for community safety, our renewable resources, the environment, our natural, historical and cultural resources, and Alberta's relations with other levels of government.

CORE BUSINESS:
PEOPLE GOALS 1-6

Goal 1

Albertans will be healthy

Key Strategies

- ensure Albertans get the care they need through accessible high quality health services
- prepare for future health needs through ongoing innovation, integration and coordination in health service delivery
- provide more services to people where they need them – in their communities and in their homes
- improve accountability and results in the health care system through clear expectations and better information
- focus on long-term health gains through increased emphasis on programs to prevent illness and injury, and protect and promote good health, as well as healthy active lifestyles

Targets

Life Expectancy at Birth Maintain or improve current life expectancy at birth and be among the top 10 countries in the world.

Health Status By the year 2003, 70% of Albertans aged 18-64 will rate their health as very good or excellent, and 80% of Albertans aged 65 or over will rate their health as good or better.

Goal 2

Our children will be well cared for, safe, successful at learning and healthy

Key Strategies

- continue implementation of the Children and Youth Services Initiative with an emphasis on cross ministry initiatives to improve supports and resources to children, youth and families
- address the recommendations of the Task Force on Children at Risk and Children's Forum
- support Child and Family Services Authorities and other partners in the delivery of community-based, integrated services to children, youth and families, with an emphasis on early intervention, meeting the needs of Aboriginal children and providing transitions for youth
- provide a range of integrated health and related support services to identified students with special health needs registered in school programs
- continue to promote the Alberta Child Health Benefit which provides low-income families with the prescription drugs, dental, optical, and ambulance services that their children require
- introduce health strategies to address priority health issues, including low birth weight babies
- identify strategies for integrated mental health services to children, youth and families

Targets

Well-Being of Children To be determined once baseline is established.

Goal 3

Alberta students will excel

Key Strategies

- enhance school-readiness opportunities for children from birth to three years of age
- build a solid foundation for learning by focusing on early grades
- improve student learning by continuing to implement and evaluate the Alberta Initiative for School Improvement collaboratively with partners
- meet diverse learner needs by building capacity for a range of learning opportunities
- ensure that students' financial needs are not a barrier to participating in learning opportunities
- expand opportunities for youth to develop career preparation and employability skills
- improve assessment and reporting of learner achievement

Targets

Educational Attainment By 2003, 90% of Albertans aged 25-34 will have completed high school, and 60% will have completed post-secondary education. Maintain or improve inter-provincial ranking.

Literacy and Numeracy Levels 85% of Grade 9 students are expected to achieve the acceptable standard on provincial achievement tests in language arts and mathematics.

Goal 4

Albertans will be independent

Key Strategies

- improve transitions for youth among school, further learning and work
- develop additional government-wide strategies through the People and Prosperity Initiative that help Albertans contribute to and share in Alberta's economic prosperity
- ensure up-to-date information is available to all Albertans on labour market needs, career preparation and opportunities for further learning
- continue efforts to get social assistance clients into the workforce by improving training programs and providing financial and health benefits

Targets

Economic Status of Albertans To be determined once baseline is established

Goal 5

Albertans unable to provide for their basic needs will receive help

Key Strategies

- continue to improve income support services for Albertans who are unable to provide for their basic needs and require financial assistance
- sponsor initiatives which provide effective supports to Albertans with developmental and other disabilities, and promote their inclusion in community life
- provide financial assistance to lower-income seniors through the Alberta Seniors Benefit and Special Needs Assistance for Seniors programs
- facilitate the provision of appropriate seniors housing, and family and special purpose housing for Albertans most in need

- strengthen the coordination of provincial government programs and services for seniors, and develop a strategic framework and a 10-year action plan on the aging population through the Seniors Policy Initiative
- implement strategies to address homelessness in conjunction with municipal governments, local authorities, community groups and the private sector

Targets

Economic Status of Albertans To be determined once a baseline is established

Goal 6

The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans

Key Strategies

- improve the health and well-being of Aboriginal people
- improve the educational attainment of Aboriginal learners to increase the collaborative participation of Aboriginal governments, organizations and people in the design and delivery of programs and services
- promote the appreciation and preservation of Aboriginal cultures in Alberta
- increase the participation by Aboriginal people in the Alberta economy
- clarify federal/provincial/Aboriginal roles and responsibilities

Targets

Aboriginal Well-Being By 2010: the difference in life expectancy of Registered Indians in Alberta and all Albertans will be reduced by one year; the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion (comparable 1996 percentages were 52.2 and 24.9, respectively); the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10%.

PROSPERITY GOALS 7-14

Goal 7

Alberta will have a prosperous economy

Key Strategies

- continue to promote the Alberta Advantage
- continue implementation of the Economic Development Strategy to enable Albertans to meet future economic challenges
- develop a collaborative approach to regional economic development that builds on regional goals, priorities and strengths
- ensure the sufficient supply of skilled labour to meet Alberta's economic growth
- encourage investment and economic activity by maintaining a globally competitive tax regime
- implement the April 1, 2001 business tax plan changes; implement the 2002 tax plan step subject to affordability
- work with industry to attract domestic and international investment
- support the expansion of Alberta's tourism industry and promotion of Alberta as a world-renowned tourism destination
- improve the ability of start-up and early stage companies to access the capital they need to get their businesses up and running
- remove barriers to national and international trade and investment so Alberta businesses can compete in new markets

Target

Gross Domestic Product Three year annual average GDP growth rate of 4 to 6%.

Job Growth 295,000 new jobs in the six years ending December 2005.

Goal 8

Our workforce will be skilled and productive

Key Strategies

- improve Albertans' ability to enter the workforce and keep pace with changing skill needs
- maintain a balanced long-term program of science and engineering research through the Alberta Heritage Foundation for Science and Engineering Research
- remove barriers that prevent people from moving easily from job to job or place to place in order to work
- build a strong Alberta public service through continued implementation of the Corporate Human Resource Development Strategy
- improve the knowledge and skills of Alberta youth, particularly as they relate to employability and the transitions between learning and work
- strengthen connections between school and workplace learning
- expand training opportunities in information technology, communications, education and health

Target

Skill Development 90% of employers satisfied with recent post-secondary graduates' skills.

Goal 9

Alberta businesses will be increasingly innovative

Key Strategies

- expand Alberta's focus on research, knowledge and technology that results in viable commercial products, processes and services
- encourage the innovative application of new technologies by resource-based industries to sustain future competitiveness and resource bases
- encourage the development of private sector laboratories for food production and processing

Target

Business Innovation Alberta businesses use of the Internet will account for an increasing percentage of economic activity.

Goal 10

Alberta's value-added industries will lead economic growth

Key Strategies

- use technology in targeted sectors to expand Alberta's value-added industries
- expand Alberta's economy by defining and taking action on key science and technology priorities
- expand in-Alberta opportunities for secondary processing of renewable and non-renewable resources
- facilitate the growth of value-added industries, especially in the agri-food, energy and forestry sectors

Target

Value-Added Industries Alberta's value-added industries will account for an increasing percentage of provincial GDP.

Goal 11

Alberta will have an effective and efficient infrastructure

Key Strategies

- implement initiatives to ensure effective and innovative capital planning and funding of government supported infrastructure through the government-wide capital planning initiative
- promote cooperative initiatives among business and industry, government and municipalities to address the need for infrastructure development
- facilitate trade by improving key highway routes, including the North-South Trade Corridor
- work with local governments to strengthen rural and urban transportation partnerships and ensure that Alberta has a safe and efficient system of roads
- complete restructuring of Alberta's electric industry and manage the transition to a deregulated market
- protect Alberta's multi-billion dollar investment in physical infrastructure for educational institutions, health care, seniors' and social housing, irrigation, water management and other government programs through appropriate maintenance and upgrading
- develop a high speed, provincial technology network that will ensure high speed Internet and wide-area network availability so that all Albertans can access provincial government services
- develop and implement advanced telecommunications, infrastructure management, and information management systems for improved communications and service delivery

Target

Infrastructure Capacity 95% of rural sections of the National Highway System at level of service B or better upon completion of the North-South Trade Corridor, export gas pipeline capacity will exceed demand, and continue to increase industry and non-profit sponsored research.

Goal 12

Alberta will have a financially stable, open and accountable government

Key Strategies

- continue to implement current fiscal policies of balancing the budget, orderly paydown of debt, low taxes, targeted spending and capital planning
- eliminate unnecessary regulations
- provide regular reports to Albertans on government goals, as well as financial and non-financial performance results
- provide efficient management of government resources and communications
- improve the efficiency and cost effectiveness of Alberta government administrative services through the Alberta Corporate Service Centre initiative
- improve Albertans' access to government information and services through the Alberta One-Window Gateway
- meet Albertans' requested needs for more information on government programs and services, and make it easier for them to give their feedback and opinions

Target

Taxation Load Maintain the lowest tax load on people and business among the provinces.

Provincial Credit Rating The highest blended credit rating among the provinces.

Accumulated Debt Reduce the March 31, 2000 accumulated debt by at least 13% by 2004-05 and eliminate it no later than 2024-25.

Cost Of Government Remain 5% below the average per capita government expenditure of the other nine provinces.

Goal 13

Alberta will have a fair and safe work environment

Key Strategies

- promote high standards in the workplace for labour relations and workplace health and safety
- support community organizations undertaking educational initiatives that promote fairness and access, and that increase understanding and appreciation of the benefits of Alberta's growing diversity

Target

Workplace Climate The rate of person-days lost to work stoppages, and injury and disease will be among the three lowest of all the provinces.

Goal 14

Alberta business will increase exports

Key Strategies

- implement Alberta's International Marketing Strategy to focus trade and investment efforts in targeted regions and industries
- improve Alberta's ability to compete and do business in global markets by expanding Albertans' understanding of world languages and cultures
- provide Alberta businesses with information/intelligence to identify emerging opportunities and enhance market access
- coordinate Alberta's participation in strategic international relationships and agreements with key trading partners

Target

Export Trade Increase international value-added exports to $28.5 billion by the year 2004.

PRESERVATION GOALS 15-19

Goal 15

Alberta will be a safe place to live and raise families

Key Strategies

- protect human rights for all Albertans through the resolution of complaints made under the Human Rights, Citizenship and Multiculturalism Act
- augment crime prevention initiatives and review all aspects of policing
- enhance services for victims of crime
- expand youth justice initiatives including the Alternative Measures Program and Intensive Support and Supervision Program as alternatives to traditional justice sanctions
- build capacity in schools and communities to provide safe and caring environments
- improve support for families through family law reform
- investigate marketplace practices and take appropriate enforcement actions to ensure compliance with the Fair Trading Act
- partner with government, consumer groups, business associations and the media to increase marketplace awareness and education
- improve traffic safety through driver education, road safety awareness and motor carrier compliance
- assist municipalities in preparing for emergencies and responding to major disasters

Target

Crime Rate Reduce Alberta's crime rates below the national rates by 2005.

Goal 16

Alberta's renewable natural resources will be sustained

Key Strategies

- provide clear, effective direction and guidelines for the use, management, regulation and development of Alberta's renewable resources
- reduce the impact of natural hazards such as fire, pests, drought and floods on property, people, and resources
- implement a long-term, environmentally-sustainable approach to agriculture and forest industry development that supports stable economic growth.

Target

Renewable Resource Sustainability Keep timber harvests at or below the annual allowable cut. Achieve sustainable crop yields of 0.92 tonnes per acre by 2004.

Goal 17

The high quality of Alberta's environment will be maintained

Key Strategies

- ensure standards are acceptable to maintain the quality of air, land, water and ecosystems
- ensure public accountability for environmental management by clearly defining roles and responsibilities of federal and provincial governments, as well as industry
- provide predictable, consistent, and streamlined regulations for land use and resource management
- maintain current levels of public safety, resources, conservation and environmental protection through effective environmental monitoring and enforcement programs

- reduce Alberta's greenhouse gas emissions by developing climate change policies and programs while maintaining Alberta's economic advantage

Target

Air Quality Maintain air quality levels that are considered good or fair at all times.

Water Quality Bring river water quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality.

Land Quality Achieve sustainable crop yields of 0.92 tonnes per acre by the year 2004.

Goal 18

Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources

Key Strategies

- support and encourage the development of sport and recreation, arts, libraries and culture as essential characteristics in Alberta's quality of life
- preserve, protect and present Alberta's unique history and culture through programs, exhibits, historic sites and museums and interpretive centres
- coordinate and support a province-wide library system and continue the development and long-term sustainability of the Alberta Public Library Electronic Network
- protect and manage Alberta's parks and protected areas
- improve Albertans' understanding of their environment
- provide Albertans with opportunities to contribute to environmental protection and natural resource management

Target

Heritage Appreciation 1.1 million visitors per year to provincially owned historic sites, museums and interpretive centres, and 8 million visitors per year to provincial parks and recreation areas.

Goal 19

Albertans will work with other governments and maintain its strong position in Canada

Key Strategies

- improve fiscal arrangements to ensure that federal revenues are shared fairly among the provinces
- ensure Alberta's interests are represented and protected in key federal programs and initiatives, and interprovincial and international negotiations
- work in partnership with local governments to promote healthy and sustainable communities throughout Alberta
- continue to promote a strong and united Canada

Target

Intergovernmental Relations Maintain Alberta government's public approval rating in federal-provincial relations equivalent to the average approval rating of the four nearest provinces.

CROSS MINISTRY INITIATIVES

Many issues are not isolated to a single ministry. The government business plan also includes cross-ministry initiatives that involve cooperation across government.

There are four priority cross ministry initiatives for this business plan:

1. the Aboriginal Policy Initiative;
2. the Economic Development Strategy;
3. the Seniors Policy Initiative; and
4. the Children and Youth Services Initiative.

Work is also continuing on four key government administration priorities:

1. the Alberta Corporate Service Centre Initiative;
2. the Corporate Human Resource Development Strategy;
3. the Corporate Information Management/Information Technology Strategy; and
4. the Alberta One-Window Initiative.

More detail about how the government intends to achieve these goals is included in the 2001-04 business plans of individual ministries. Quarterly updates will continue to be provided to keep Albertans informed about the progress made in achieving our plan. Results for 2001-02 will be available before the end of June 2002 in the Government Annual Report.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Budget 2001 Fiscal plan

PRESENTED BY PATRICIA L. NELSON
MINISTER OF FINANCE

In the Legislative Assembly of Alberta
April 24, 2001

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THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Highlights

Highlights

ALBERTA'S ADVANTAGES

- The strongest economy in Canada.
- The highest standard of living of any province.
- The lowest unemployment rate in the country.
- The lowest overall taxes.
- The highest personal disposable incomes.
- Among the highest life expectancies in the world.
- The best-educated workforce in Canada.
- The lowest percentage of low-income people in Canada.

STRONG ECONOMIC GROWTH TO CONTINUE

- Alberta's economy grew by an estimated 6.1% in 2000. Personal and business tax cuts will spur economic growth of 4.8% in 2001 and an average of 3.2% per year over the following three years.
- 34,900 new jobs were created last year. Another 39,000 new jobs are expected in 2001, with a further 114,000 new jobs over the following three years.
- Energy prices are projected to decline to more sustainable levels:
    - Natural gas prices are assumed to decline from Cdn$6.07 per thousand cubic feet in 2000-01 to Cdn$5.03 in 2001-02 and Cdn$3.44 by 2003-04.
    - Oil prices are assumed to decline from $US30.20 per barrel in 2000-01 to US$25 in 2001-02 and US$21 for the next two years.

BALANCED BUDGETS AND INCREASED FUNDING FOR ALBERTANS' PRIORITIES

- The 2000-01 economic cushion is forecast at $5.5 billion. The economic cushion averages about $800 million per year for the next three years.
- Revenue is expected to fall by 10.7%, or $2.7 billion, in 2001-02. By 2003-04, revenue is expected to fall by another $2.2 billion to $20.5 billion.
- Base spending will increase by 13.4%, or $2.3 billion, over the next three years, including a 6.3%, or $1.1 billion, increase in 2001-02. Program spending increases are being allocated to Albertans' priorities – in particular health, education and children. These increases are partly offset by declining debt servicing costs, as debt is repaid.
- Spending on accelerated infrastructure, energy shielding and emergency agriculture assistance will increase from $1.9 billion in 2000-01 to $3.2 billion in 2001-02. This spending will be phased out over the following two years.
- As a result, total expense will increase by 12.5% or $2.4 billion in 2001-02 and then decline by 8.8% or $1.9 billion over the following two years.

Meeting Priorities – Sharing Benefits

CREATING A DEBT-FREE ALBERTA

- Albertans and their children will be freed from the burden of provincial debt.
- Accumulated debt is projected to fall from $12.5 billion on March 31, 2000 to $5.4 billion by March 2004 – a reduction of $7.1 billion. This puts Alberta 9 years ahead of the legislated 25-year schedule for debt elimination.
- By 2003-04, the net interest costs on the debt are expected to drop to $485 million, almost $1.3 billion less than in 1994-95.
- Alberta could become debt free within three years if energy prices remain at the high levels forecast by some energy analysts. This would require oil prices of about US$25 per barrel and natural gas prices of about Cdn$5 per thousand cubic feet, with this additional revenue being applied to debt.

INCREASING THE ALBERTA TAX ADVANTAGE

- Albertans will continue to pay the lowest taxes in the country and no provincial sales tax.
- Alberta's new 10% single-rate personal income tax system was implemented on January 1, 2001, saving Albertans $1.1 billion this year. This brings the total personal income tax cut since 1998 to $1.5 billion, or 23%.
- $1 billion in business tax cuts will be phased in, subject to affordability, starting on April 1, 2001. The small business tax rate will be cut from 6% to 3% over three years and the general rate will be cut from 15.5% to 8% over four years.
- Total school property tax revenue was cut by $135 million on January 1, 2001, and will be frozen at the current level of $1.2 billion for future years.

STRENGTHENING THE ALBERTA ECONOMIC ADVANTAGE

- $8.4 billion has been allocated to upgrade and expand Alberta's health, education, transportation and other infrastructure over the four years from 2000-01 to 2003-04, including $4.2 billion of one-time accelerated funding from high energy prices.
- Albertans and Alberta businesses are being cushioned from temporary spikes in energy costs through $4.3 billion in energy shielding. $2 billion in rebates are funded from the electricity auctions and $1.6 billion from government revenues, and $690 million is being returned to Albertans through energy tax refunds.
- Urgently needed support to agriculture producers will be provided this spring.

IMPROVING ALBERTANS' QUALITY OF LIFE

- Implementation of the Six-Point Plan to protect and improve public health care will continue. Health and Wellness base funding will increase by $737 million, or 13.5%, in 2001-02 and by $1.5 billion, or 28%, over the next three years.
- Alberta's world-class educational results will improve further. Learning program spending will increase by $343 million, or 7.7%, in 2001-02, and $854 million, or 19%, over the next three years.
- Support for children, seniors and Albertans with special needs will increase.
- Policing services will be enhanced. Funding to the RCMP will increase by $24.5 million by 2003-04.

Accountability Statement

The government's Fiscal and Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications have been considered in preparing the Fiscal and Business Plan.

The government is committed to achieving the planned results laid out in the Fiscal and Business Plan.

Patricia Nelson

Patricia L. Nelson
Minister of Finance and
Chair of Treasury Board
April 12, 2001

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Fiscal Plan 2001-04

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Meeting Priorities – Sharing Benefits

> *"Basically it will be more of the same kind of government. A government totally committed to fiscal responsibility. A government that, for the first time in a number of years, is looking at a debt-free province..."*
>
> **Premier Ralph Klein**
> **Televised Address**
> **January 29, 2001**

Albertans have led the way in establishing an open and accountable government that lives within its means. Our commitment to balanced budgets and debt elimination has left the province in the strongest fiscal position of any government in Canada.

Matching our fiscal advantage are our economic and tax advantages. Albertans believe initiative and hard work should be rewarded, taxes should be low, and government should stay out of the business of business. This has created an environment in which Alberta has prospered, attracting investment and people to the province. Alberta has:

- the strongest economy in Canada,
- the highest standard of living of any province,
- the lowest unemployment rate in the country,
- the lowest overall taxes and the highest personal disposable incomes.

Fiscal and economic strength has provided the flexibility to meet the priorities of Albertans and share the benefits with them. The accessibility and quality of our health and education systems have been improved. Albertans' drive for knowledge, innovation and excellence has been encouraged. Those in need of help have continued to receive the assistance they require. Alberta has:

- among the highest life expectancies in the world,
- the best-educated workforce in Canada, and
- the lowest percentage of low-income people in Canada.

THE FUTURE

Alberta's future is firmly rooted in the Alberta advantages developed over the last eight years. This government will work hard to build on our advantages by:

- ***Creating a debt-free Alberta*** – Albertans and their children will be freed from the burden of provincial debt.
- ***Increasing the Alberta tax advantage*** – Albertans will continue to pay the lowest taxes in the country and no provincial sales tax. Personal income taxes and school property taxes are being cut. The first step of our four-year plan to cut business taxes is being implemented.
- ***Strengthening the Alberta economic advantage*** – Infrastructure is being upgraded and expanded to meet the growing requirements of Alberta's population and economy, and keep Alberta at the forefront of the new economy. Protection is being provided from temporary spikes in energy costs. Support is being provided to Alberta's agriculture industry.
- ***Improving the quality of life of Albertans*** – Health and education services are being enhanced. Additional support is being provided to children, seniors and communities.

> *"People have said to us, 'continue on course and finish off the debt.' I think that's a very important legacy to leave our children."*
>
> **Pat Nelson**
> **Minister of Finance**
> **Calgary Sun**
> **March 16, 2001**

By ensuring Alberta is the best place to live, learn, work and invest, both our generation and our children's generation will have every opportunity to succeed right here in Alberta. Together, we will continue building a future that promises continued economic prosperity, tremendous opportunity and a high quality of life for Albertans.

Alberta Fiscal Advantage

Alberta has an unmatched fiscal record – seven consecutive years of balanced budgets, debt reduced by nearly two-thirds and debt servicing costs down by approximately $750 million. We are the only province in Canada whose financial assets exceed its liabilities. We have the lowest overall taxes in the country and the strongest economy.

> *"The upgrade reflects the very strong economic and fiscal performance and favorable fiscal policies prevailing in Alberta, which are leading to very rapid debt reduction."*
>
> **Standard & Poor's**
> **January 29, 2001**

The government's sound fiscal management and results have been recognized and rewarded by financial markets. Earlier this year, Moody's Investors Services and Standard & Poor's both raised Alberta's credit rating on our domestic debt to triple A, the highest possible rating.

Alberta's fiscal success since 1993 has been guided by five basic principles. The government will continue to follow these sensible rules. As required by the *Fiscal Responsibility Act* and the *Government Accountability Act*:

- ✔ Budgets will be balanced every year.
- ✔ Debt will be repaid.
- ✔ Revenue forecasts will be prudent.
- ✔ Spending plans will be affordable.
- ✔ The government will be open and accountable to Albertans.

2001-04 FISCAL PLAN

In developing a three-year fiscal plan, the first essential is affordability. Spending plans must fit within the province's commitment to balanced budgets and debt repayment. The government must ensure that the dollars allocated to permanent tax reductions and ongoing increases in base program spending are affordable not just in the current year, but also in future years.

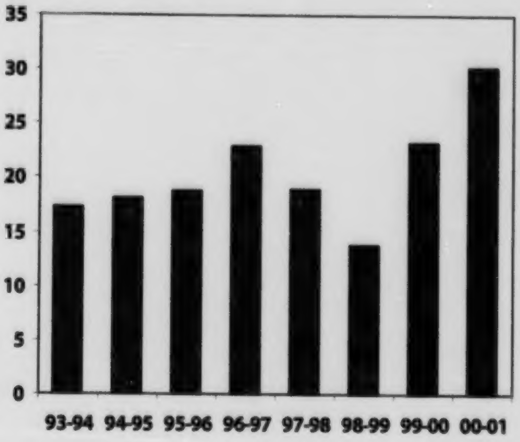
MANAGING REVENUE VOLATILITY

The major challenge for Alberta is budgeting and planning in the face of continuing revenue volatility. Unlike other governments in Canada, Alberta's revenue can fluctuate significantly – both up and down – in any year.

Over the past eight years, Alberta has witnessed the extremes of the energy markets. Average annual oil prices have ranged between US$13 and US$30 per barrel. Natural gas prices, which had consistently remained under Cdn$2 per thousand cubic feet until the last two years, climbed dramatically to a peak of nearly Cdn$12 in January 2001. The average price for the 2000-01 fiscal year was over Cdn$6, three times higher than in 1998-99.

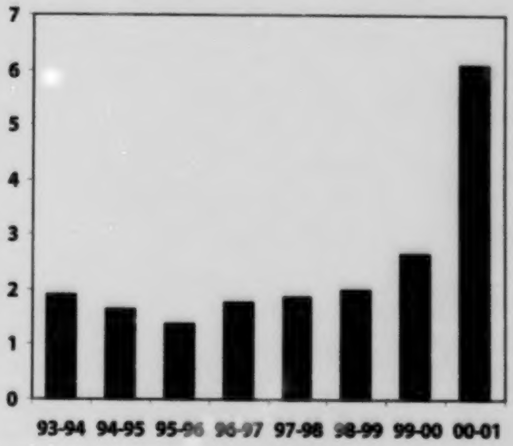
Oil Prices

WTI Price (US$/bbl)



Natural Gas Prices

Alberta Reference Price (Cdn$/mcf)



The impact on government revenue of these price fluctuations is dramatic. In 2000-01, resource revenue reached $10.5 billion – over 40% of total government revenue. Two years earlier, in 1998-99, before the spike in energy prices, resource revenue was only $2.4 billion – accounting for only 14% of total revenue. That is a swing of over $8 billion in revenue in just two years.

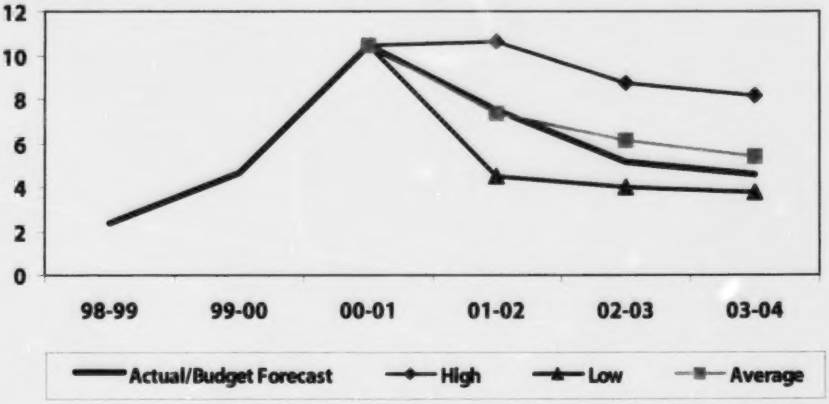
The outlook for energy prices remains very uncertain. Private sector forecasters expect oil and natural gas prices to decline over the next three years, but there is a wide range of forecasts. Some forecasters expect oil prices to remain over US$24 out to 2003-04 while others see prices dropping to the US$18 range. Similarly on the natural gas side, some forecasters expect prices to remain over Cdn$5.50 out to 2003-04 while others forecast prices declining to just over Cdn$3.00.

The difference between the highest and lowest private sector price forecasts is over $4 billion a year in government revenue. For example, in 2003-04, the highest energy price forecasts would generate about $8 billion in resource revenue while the lowest forecasts would generate less than $4 billion.

The current spike in energy prices has created high expectations about what the government can afford to do. But past experience has shown that energy prices can decline as quickly as they have gone up. The government will continue its successful approach to managing revenue volatility. Revenue will continue to be forecast on a prudent basis. An economic cushion will be set aside to protect against revenue uncertainties. A clear distinction will be made between what tax cuts and spending are affordable over the longer-term and what can be afforded only on a one-time basis.

> *"What we have today isn't so much a problem as an interesting policy challenge. The crisis will only come if we succumb to the temptation to base tax and spending policy on the rates enjoyed today."*
>
> **Editorial**
> **Edmonton Journal**
> **January 28, 2001**

$4 Billion Resource Revenue Difference Between High and Low Private Sector Energy Price Scenarios[a]
(billions of dollars)



[a] Resource revenue scenarios are based on a survey of oil and natural gas price projections from leading forecasting organizations. Not all of these forecasts are publicly released.

REVENUE OUTLOOK

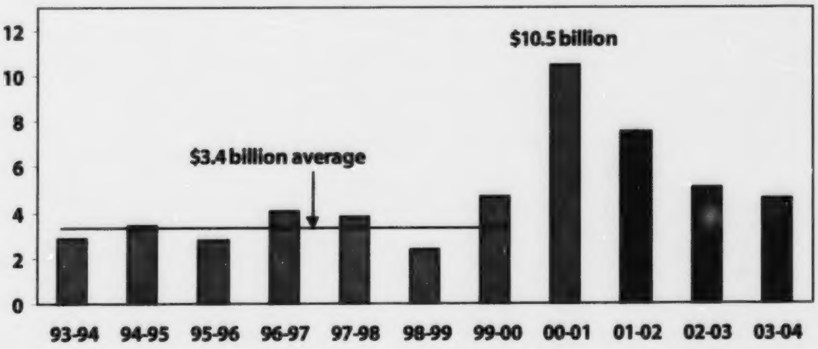
The 2001-04 revenue outlook assumes realistic, but prudent, energy prices at or slightly below the average of private sector forecasters:

- Natural gas prices are expected to decline from Cdn$6.07 per thousand cubic feet in 2000-01 to $5.03 in 2001-02, $3.75 in 2002-03 and $3.44 in 2003-04.
- Oil prices are expected to decline from US$30.20 per barrel in 2000-01 to $25 in 2001-02, and $21 in 2002-03 and 2003-04.

As prices fall, resource revenue is expected to decline from $10.5 billion in 2000-01 to $4.6 billion by 2003-04.

The 2001-02 revenue forecast assumes energy prices of Cdn $5.03 per mcf for natural gas and US$25 per barrel for oil.

Non-Renewable Resource Revenue
(billions of dollars)

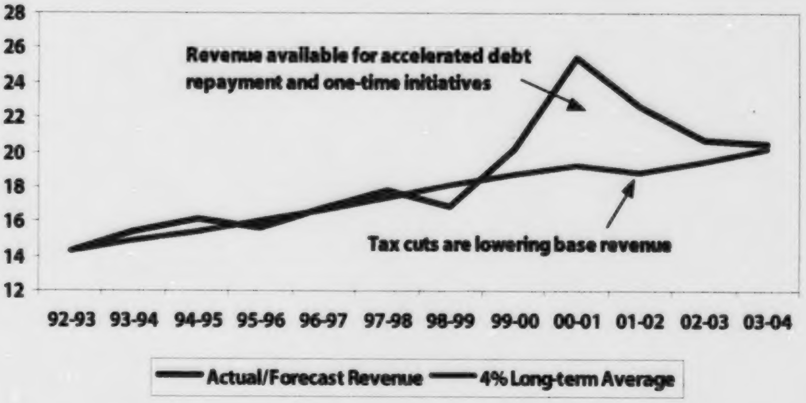


The revenue outlook also builds in the permanent revenue reductions from the government's single-rate personal income tax plan, which was fully implemented on January 1, and the four-year plan to cut business taxes, which began on April 1.

Total revenue is expected to fall from a peak of $25.4 billion in 2000-01 to $20.5 billion in 2003-04.

As a result, revenue is projected to decline over the next three years toward the longer-term trend line of revenue growth. Historical revenue trends indicate the government can plan for revenue growth of about 4% per year, on average. Total revenue is expected to fall from a peak of $25.4 billion in 2000-01 to $20.5 billion in 2003-04.

Long-Term Revenue Growth Is About 4% Per Year
(billions of dollars)



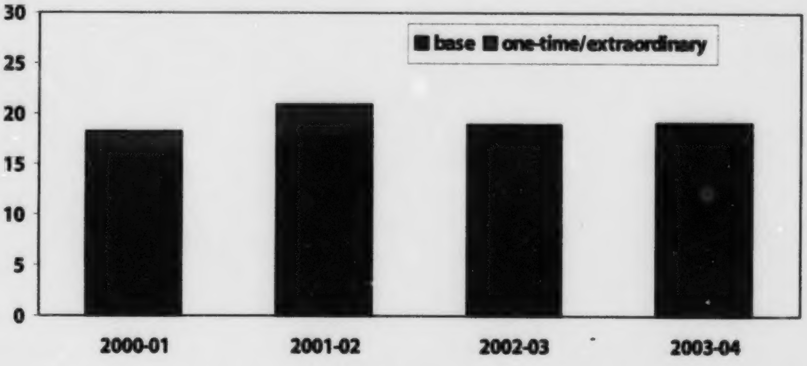
Over the next year, the government plans to examine its revenue and investment frameworks and options in more detail. Particular emphasis will be placed on the longer-term trends and revenue outlooks of major revenue sources.

SPENDING PLAN

As has been the case in the last two years, the government's three-year spending plan has two components:

- ongoing base spending increases that are affordable within the expected base revenue growth of about 4% per year on average, and
- one-time/accelerated spending and extraordinary costs.

Program Spending
(billions of dollars)



Base spending is forecast to increase by 13.4% over the next three years, in line with expected base revenue growth.

Total base spending is forecast to increase by 13.4% over the next three years (an average of 4.3% per year), in line with expected base revenue growth. Base program spending will increase by $2.8 billion, or 17.2%, by 2003-04, including a $1.3 billion, or 8.3%, increase in 2001-02. These spending increases are being allocated to Albertans' priorities, primarily health and education. The base program spending increase is partly offset by a decline of $485 million in debt servicing costs over the next three years, as debt is repaid.

While permanent spending increases cannot be based on short-term revenue surges, the government will continue to allocate some of these shorter-term dollars to fund priorities on a one-time or accelerated basis and address extraordinary costs:

- In 2000-01, almost $900 million was provided for accelerated infrastructure projects (including one-time capital investment). The fiscal plan includes a further $3.3 billion in accelerated infrastructure spending over the next three years.
- The government is providing energy cost assistance to help cushion Albertans and Alberta businesses from spikes in energy prices. $932 million was allocated in 2000-01 and a further $660 million is available in 2001-02.
- In response to unpredictable world markets, poor weather and income pressures, the government is providing special emergency assistance to farmers and ranchers in 2000-01 and 2001-02. On top of the base ongoing agriculture support of approximately $630 million per year, an additional $162 million was provided in 2000-01 and $254 million will be provided in 2001-02.

Spending Allocations

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target	3-year Change
Base Spending					
Program	16,279	17,623	18,622	19,080	2,801
Debt servicing costs	1,000	750	620	515	(485)
Total Base Spending	17,279	18,373	19,242	19,595	2,316
One-time/extraordinary costs					
Accelerated infrastructure[a]	815	2,295	300	83	(732)
Energy shielding	932	660	—	—	(932)
Agriculture emergency assistance	162	254	—	—	(162)
Total Expense	**19,188**	**21,582**	**19,542**	**19,678**	**490**
Spending Increases (%)					
Base program spending		8.3	5.7	2.5	17.2
Total base spending		6.3	4.7	1.8	13.4
Total expense		12.5	(9.5)	0.7	2.6
[a] Excludes capital investment of:	82	176	380	38	

ECONOMIC CUSHIONS

An economic cushion of at least 3.5% of revenue has been set aside in each year of the fiscal plan, as required by the *Fiscal Responsibility Act*. The cushions reflect the government's commitment to pay down the province's accumulated debt. They also provide the flexibility to address a possible deeper-than-expected slowing of the North American economy, lower-than-forecast energy prices, or disasters or emergencies.

An economic cushion of $817 million is budgeted for 2001-02, $844 million for 2002-03 and $742 million for 2003-04.

An economic cushion of $817 million is budgeted for 2001-02, $844 million for 2002-03 and $742 million for 2003-04.

Fiscal Outlook

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Revenue	25,393	22,673	20,675	20,468
Expense				
Program	18,188	20,832	18,922	19,163
Debt servicing costs	1,000	750	620	515
Total Expense	19,188	21,582	19,542	19,678
Net Revenue	6,205	1,091	1,133	790
Net increase in capital assets affecting operations	156	274	289	48
Alberta Heritage Science and Engineering Research Endowment Fund	500	—	—	—
Economic Cushion	**5,549**	**817**	**844**	**742**
Planned allocation of economic cushion				
Debt repayment/increase in assets	5,549	613	633	557
Contingency reserve	—	204	211	185

CREATING A DEBT-FREE ALBERTA

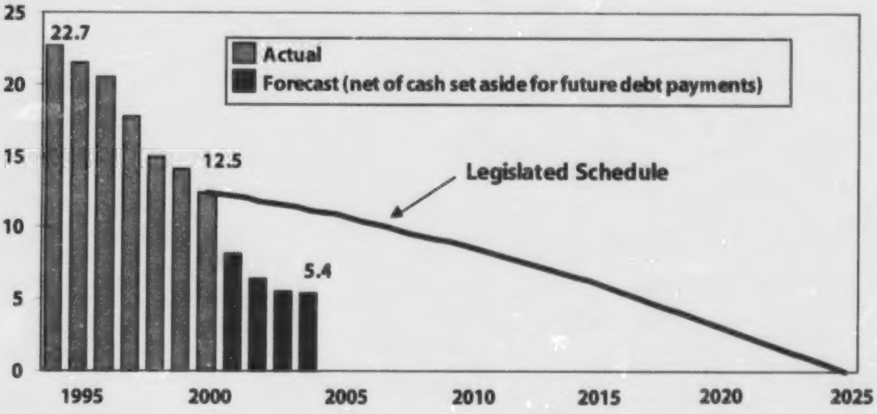
Accumulated debt is expected to fall to $5.4 billion by the end of 2003-04. However, if energy prices continue at the high levels forecast by some private sector energy analysts, the accumulated debt could be eliminated in two or three years.

Alberta is rapidly becoming debt free. Over the four years from 2000-01 to 2003-04, nearly $7.4 billion will be available for debt repayment and increases in financial assets:

- Over $6.6 billion is being allocated to debt repayment.
- Nearly $800 million is being retained by Alberta Treasury Branches, Alberta's endowment funds and other agencies to increase their assets and ensure the continued sustainability of their operations.

Accumulated debt is expected to fall from $12.5 billion on March 31, 2000 to $5.4 billion by March 31, 2004. The reduction is funded from the $6.6 billion allocation in 2000-04 and $470 million of cash available from 1999-2000. The projected debt pay down puts the government 9 years ahead of the legislated 25-year schedule for debt elimination. However, if energy prices continue at the high levels forecast by some private sector energy analysts, the accumulated debt could be eliminated in two or three years. Eliminating accumulated debt by March 31, 2004 would require oil prices to remain in the US$25 range and natural gas prices in the Cdn$5.00 range, with this additional revenue applied to debt.

Accumulated Debt
at March 31
(billions of dollars)



The amount of accumulated debt actually repaid each fiscal year depends not only on the allocation from the economic cushion but also on when debt matures and when cash becomes available. Because of the large allocation for accumulated debt repayment in 2000-01, more cash was available for repaying debt than actually matured during the year. This extra cash, $2.1 billion, has been set aside in a special income-earning account until it can be used to pay off maturing debt over the next three years.

Differences between when revenue and expenses are accrued and the cash is actually received and spent also result in adjustments to the allocation for debt repayment. In 2000-01 and 2001-02, these cash adjustments are exceptionally large because of a three-month lag in receiving the cash from the very high natural gas royalties earned in the last quarter of 2000-01.

Cash Available for Accumulated Debt Repayment

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target	4-year Total
Allocation for debt repayment/assets	5,549	613	633	557	7,352
Retained income	(181)	(163)	(177)	(262)	(783)
Cash adjustments	(1,565)	1,307	480	(171)	51
Current year cash available	**3,803**	**1,757**	**936**	**124**	**6,620**
Cash available from previous year	470	2,125	2,120	1,374	
Cash Available	4,273	3,882	3,056	1,498	
Allocation of cash available					
Current year debt maturities	2,148	1,762	1,682	1,498	
Future year debt maturities	2,125	2,120	1,374	—	

Accumulated Debt

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Accumulated debt (start of year)	12,490	10,342	8,580	6,898
Repayment of debt maturities	2,148	1,762	1,682	1,498
Accumulated debt (end of year)	10,342	8,580	6,898	5,400
Cash set aside for future debt payment	2,125	2,120	1,374	—
Accumulated debt less cash set aside	**8,217**	**6,460**	**5,524**	**5,400**

DEBT SERVICING COSTS

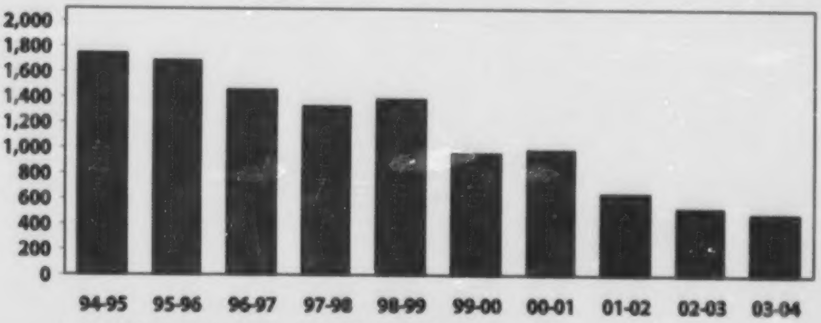
As debt is repaid, the cost of servicing the debt declines. Debt servicing costs are expected to decline from the peak of $1.75 billion in 1994-95 to $750 million in 2001-02. Approximately $105 million will be earned in 2001-02 on the $2.1 billion set aside for future debt payments. That will bring the net cost of servicing debt down to about $645 million.

By 2003-04, net debt servicing costs are expected to drop to about $485 million, almost $1.3 billion less than in 1994-95. These interest savings free up money permanently for Albertans' priorities.

By 2003-04, the net interest costs on the debt are expected to drop to $485 million, almost $1.3 billion less than in 1994-95.

Debt Servicing Costs*

(millions of dollars)



* Net of interest earned on debt retirement funds.

IT'S YOUR MONEY SURVEY

With the possibility of eliminating our debt burden in just two or three years, the government decided that it was the right time to ask Albertans what their priorities will be when Alberta is debt free. In November, the government distributed a survey called *It's Your Money* to Albertans, asking what the government should do with the two different types of extra money that will be available after the debt is gone:

- permanent interest cost savings from eliminating accumulated debt,
- one-time money from revenues spikes.

Over 125,000 Albertans responded, far exceeding the nearly 80,000 responses to the *Talk it Up. Talk it Out.* survey in 1998. Albertans' opinions were clear. They said the top priority was putting money back in their pockets, through permanent tax reductions and one-time rebates. There was also support for saving some of the money from one-time revenue spikes after the debt is repaid.

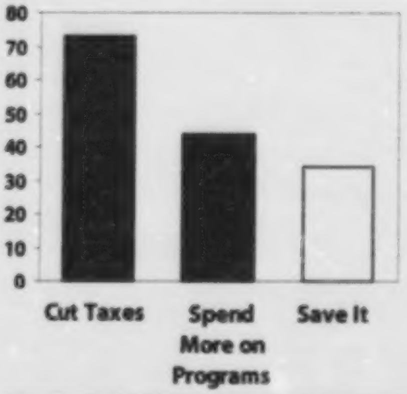
In allocating the permanent interest savings, 73% of Albertans said tax reductions were important, 44% said more program spending was important and 34% said a budgeted savings plan was important.

Looking at one-time revenues, 57% said one-time tax rebates were important, 52% said saving money for the future was important and 29% said one-time spending was important.

Albertans were also asked to give approval ratings to various specific options for tax cuts or rebates and increased program spending. Permanent personal income tax cuts and more spending on health services and facilities received the strongest approval.

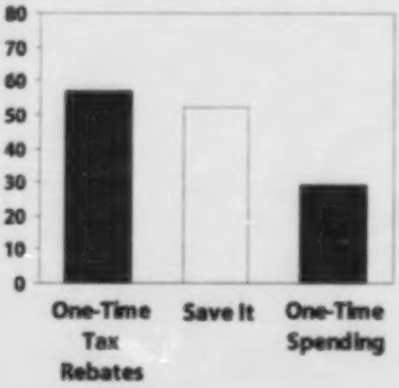
The government will act on what Albertans said. A Future Summit will be convened later this year, bringing together Albertans from all walks of life to discuss what the province's priorities should be once the debt is eliminated.

> *"The next step in that consultation will be a Future Summit, a province-wide forum to be held this coming fall... From that Summit, the government will shape a plan for Alberta's priorities and directions in its debt-free future."*
>
> **Premier Ralph Klein**
> **Calgary Sun**
> **March 13, 2001**



What to do with Permanent Savings

(per cent ranking important)



What to do with One-Time Revenue

(per cent ranking important)

Alberta Tax Advantage

> *"The only way taxes are going in this province are down. This government is committed to seeing that Albertans have more money in their pockets..."*
>
> **Pat Nelson**
> **Minister of Finance**
> **Calgary Herald**
> **March 27, 2001**

The Alberta Tax Advantage rewards initiative, spurs economic growth and job creation, and leaves more dollars in Albertans' pockets. Our tax advantages include:

- the lowest overall tax burden in Canada,
- no provincial sales tax,
- a new single-rate personal income tax system,
- low business taxes that are being cut further, starting April 1, 2001,
- low property taxes, and
- the lowest fuel taxes in Canada.

Over the last eight years, the government has strengthened the Alberta tax advantage. Further steps are being taken in 2001. Major cuts to both personal and corporate income taxes are being implemented. School property taxes are being cut. The Alberta tax advantage will grow. The only way taxes are going in Alberta are down.

Lower taxes not only leave more money in Albertans' pockets today, they also spur economic growth and put more money in Albertans' pockets tomorrow. By 2006, the combined effects of the personal and business tax cuts are projected to increase the size of Alberta's economy by 3.2%, or $4.3 billion. And that should produce over 40,000 new jobs for Albertans. That is the same as adding one more full year of growth to the Alberta economy over five years.

ALBERTA'S NEW PERSONAL INCOME TAX SYSTEM

On January 1, Albertans began to reap the rewards of Alberta's new personal income tax system. Albertans will save $1.1 billion this year, bringing the total personal income tax cut since 1998 to $1.5 billion, or 23%.

The key features of the new system are:

- basic and spousal exemptions increased to $12,900 – by far the highest in the country,
- a single rate of 10% on taxable income,
- a tax system indexed to inflation, eliminating bracket creep, and
- continuation of all other non-refundable credits.

The major benefits of the new system are:

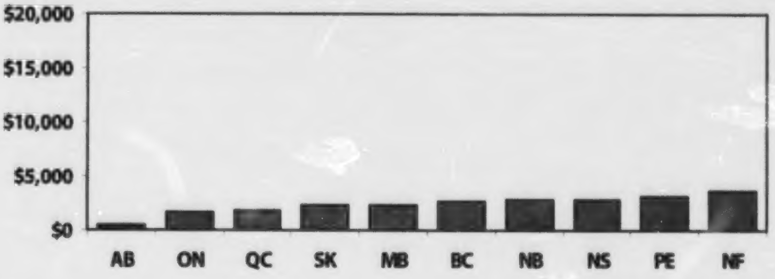
- Albertans in every income group pay less income tax,
- 200,000 more low-income earners are removed from the provincial tax rolls entirely,
- the lowest top marginal provincial tax rate in Canada – 10% compared to an average of 18% in other provinces, and
- fair treatment of single-parent families and families with a stay at home parent.

The Alberta tax advantage compared to other provinces has been enhanced. For example:

- A one-income family earning $30,000 with two children will pay almost 80% less in provincial taxes and health care insurance premiums than a similar family would pay, on average, in other provinces.
- Two-income families earning $60,000 or $100,000 with two children will both pay close to 40% less than similar families would pay, on average, in other provinces.

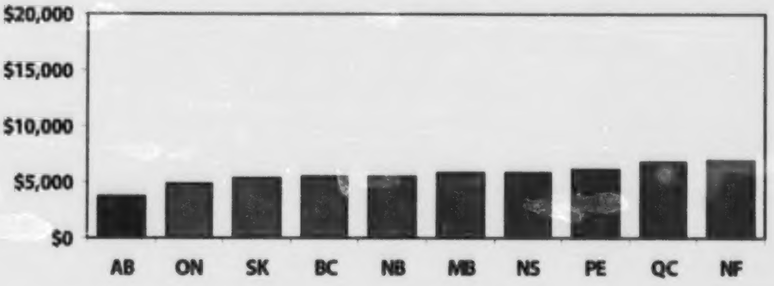
FAMILY EARNING $30,000

Taxes and Health Care Insurance Premiums, 2001 (One-income family with two children)



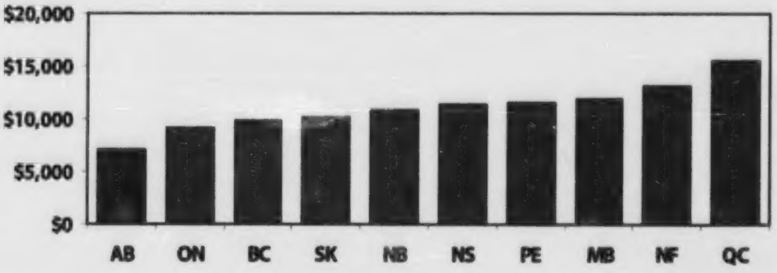
FAMILY EARNING $60,000

Taxes and Health Care Insurance Premiums, 2001 (Two-income family with two children)



FAMILY EARNING $100,000

Taxes and Health Care Insurance Premiums, 2001 (Two-income family with two children)



> *"This is a positive move for all of our businesses large and small and it's something that's long overdue. It's also in keeping with the Premier's plan that dollars are best left in Albertans' pockets rather than the government's."*
>
> **Pat Nelson**
> **Minister of Finance**
> **Calgary Herald**
> **March 31, 2001**

BUSINESS TAX CUTS

In February 2000, the government appointed a Business Tax Review Committee to review Alberta's business taxes. In its September 2000 report, the Committee concluded that Alberta should respond to the world-wide trend to lower corporate income taxes. If we don't, we risk losing increasingly mobile capital and highly skilled people. While Alberta is already an attractive location for businesses to invest and grow compared to the rest of Canada, we do not stack up as well on the international stage.

The government accepted most of the recommendations of the Business Tax Review Committee. Business tax cuts are being phased in over four years, subject to affordability. The first stage of the tax cuts was implemented on April 1, 2001. The total savings are expected to be $1 billion by 2004-05.

The tax changes include:

- the small business tax rate is being cut from 6% to 3%,
- the small business income threshold is being increased from $200,000 to $400,000,
- the general tax rate of 15.5% and the manufacturing and processing tax rate of 14.5% are being reduced to 8%,
- the capital gains inclusion rate was reduced to 50% on October 18, 2000,
- the railway fuel tax will be reduced from 3 cents to 1.5 cents per litre on May 1, 2001,
- the financial institutions capital tax was eliminated on April 1, 2001, and
- other provinces' capital taxes are no longer deductible in calculating Alberta corporate income tax.

Implementation Schedule for the Business Tax Plan

		Implementation on April 1			
	2000	2001	2002	2003	2004
General rate (%)	15.5	13.5	11.5	10.0	8.0
Manufacturing and processing rate (%)	14.5	13.5	11.5	10.0	8.0
Small business rate (%)	6.0	5.0	4.0	3.0	
Small business threshold ($)	200,000	300,000	400,000		
Capital gains inclusion rate (%)	50[a]	50			
Railway fuel tax (¢/litre)	3	1.5[b]			
Capital tax (%)	0.7/1.0	Eliminated			
Cost of Tax Cuts ($ millions)		**286**	**561**	**770**	**1,000**

[a] The capital gains inclusion rate was reduced from 75% to 66.7%, effective February 28, 2000, and further reduced to 50%, effective October 18, 2000.

[b] Effective May 1, 2001.

Alberta Economic Advantage

> *"The economic environment in Alberta, with its lower taxes, healthy economy and good entrepreneurial business community, provides a better base for quicker growth than any other province."*
>
> **Ian Robinson**
> **Partner**
> **Ernst & Young**
> **March 7, 2001**

The Alberta economy grew by an impressive 6.1% in 2000, the fastest growth among provinces. This reflected more than just a booming energy sector. Over the last eight years, fundamental changes have taken place in Alberta.

New economic forces have increasingly come into play. Energy and agriculture – traditionally the cornerstones of Alberta's economy – are still important. However, knowledge-based industries and value-added manufacturing, such as agri-food, petrochemicals and forest products, are coming into their own and helping to create and sustain growth.

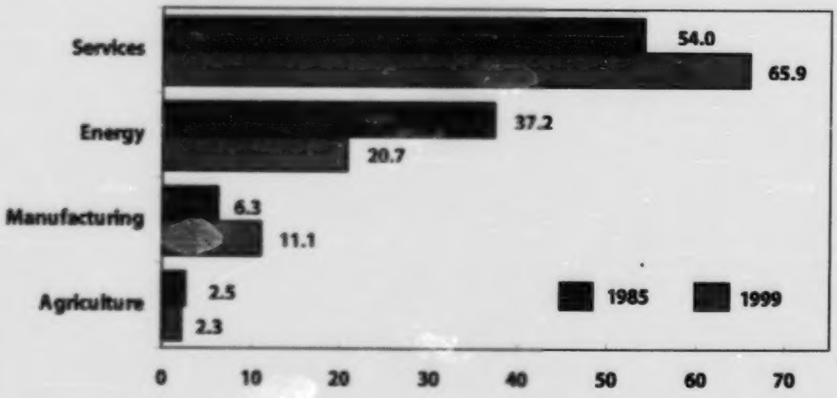
Alberta's economy has become more diversified and less susceptible to volatile commodity price fluctuations than it was in the 1970s and early 1980s. In 1985, the energy sector accounted for 37% of Alberta's GDP. In 1999, it accounted for just 21%.

Continued strong economic growth of 4.8% is expected in 2001, spurred by personal and business tax cuts. Although energy prices are expected to decline to more sustainable levels, Alberta's economy should continue expanding at a healthy 3.2% pace on average over the medium term.

> *By 2004, Alberta is expected to add over 150,000 new jobs.*

Employment growth is expected to remain strong through the forecast period, averaging about 2.3% per year. By 2004, Alberta is expected to add over 150,000 new jobs.

Diversification Strengthens Alberta
Nominal GDP by Industry (per cent)



INCREASED DEMANDS ON INFRASTRUCTURE

Strong economic growth has brought benefits and opportunities to Albertans. It has also attracted more people to the province. Since January 1997, close to 137,000 people have moved to Alberta in order to participate in the Alberta Advantage.

This economic and population growth has created some strains. Additional investment is required to meet the increased demands being placed on Alberta's infrastructure.

$8.4 billion of infrastructure funding over four years.

High energy prices have provided the government with fiscal flexibility to expand and modernize our infrastructure on an accelerated basis. On top of the base budgets of over $1 billion per year, an additional $4.2 billion of one-time accelerated funding is being allocated to meet infrastructure needs over the four years from 2000-01 to 2003-04. In total, $8.4 billion will be provided:

Transportation

- $3.6 billion for roads and public transit, including continued work on the North-South Trade Corridor.

Health

- $1.5 billion for health facilities and medical equipment, including a new Children's Hospital and a bone and joint centre of excellence in Calgary, redevelopment of the Royal Alexandra Hospital and a new cardiac centre of excellence in Edmonton, redevelopment of the Red Deer Regional Hospital, and significant expansion and redevelopment of long-term care facilities across Alberta.

Schools

- $1.3 billion for new schools, the renovation and modernization of existing schools, and computer equipment.

Post-Secondary

- $441 million for post-secondary facilities, including a major expansion of Mount Royal College in Calgary, a new Engineering building at the University of Alberta and health research innovation centres in Calgary and Edmonton.

Water and Wastewater

- $327 million for water and wastewater facilities, including municipal projects, dam refurbishment and improvements to the irrigation network in southern Alberta.

SUPERNET

- $193 million for the government's share of the cost of the Alberta SUPERNET, which will provide access to high-speed broadband Internet services to 420 communities across the province, connecting every hospital, school, library and provincial government facility.

National Infrastructure Program

- $171 million for Alberta's share of the new Infrastructure Canada/ Alberta Program which will provide $513 million to rural and urban municipalities across Alberta, with equal contributions from the federal, provincial and municipal governments.

Other

- $901 million for other infrastructure programs, including seniors' lodges, the Community Facility Enhancement program and 2005 Centennial Legacy projects.

Accelerated dollars are flowing to local authorities now, when the government has extra revenue available. The dollars will actually be spent over the next several years to minimize construction cost increases and ensure the dollars are spent prudently on top priorities.

Spending on Infrastructure

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target	4-year Total
Transportation network	981	1,101	961	562	3,605
Health care facilities and equipment	351	919	81	141	1,492
Schools	290	705	140	160	1,295
Post-secondary institutions	63	256	121	1	441
Water and wastewater management	72	98	82	75	327
SUPERNET	—	46	109	38	193
National infrastructure program	—	138	33	—	171
Other	230	328	167	176	901
Total	**1,987**	**3,591**	**1,694**	**1,153**	**8,425**
Base	1,090	1,120	1,014	1,032	4,256
One-time/accelerated	897	2,471	680	121	4,169

SUPPORT FOR FARMERS AND RANCHERS

The government will continue to support the sustainable growth and diversification of our agriculture sector. Last year, the government hosted Ag Summit 2000 to determine what can be done to maintain and enhance the health, sustainability and profitability of the agriculture and food industry. The outcomes from the Summit will guide the government and the agriculture and food industry toward achieving the long-term vision of $10 billion in primary production and $20 billion in value-added activity by 2010.

The government is committed to helping farmers and ranchers with the risks of unpredictable world markets, poor weather and income pressures.

The government also remains committed to helping farmers and ranchers with the risks of unpredictable world markets, poor weather and income pressures. The government provided about $700 million in assistance to farmers and ranchers in the 2000 crop year through its safety net programs, including the Farm Income Assistance Program.

This year's budget includes funding to provide urgently needed support to producers across the province. Recognizing the inadequacy of the federal response on farm-income issues, Alberta will provide producers with direct assistance this spring. The government will also work with the industry to seek opportunities that provide long-term viability in a rapidly changing global market place.

An additional $24 million is also being provided to support irrigation infrastructure and energy costs. As well, recommendations from the Crop Insurance Review will be implemented for the 2001 and 2002 crop years.

ADDRESSING HIGH ENERGY COSTS

The government has acted, and will continue to act, to ensure affordable supplies of electricity and natural gas in Alberta. We are helping to protect Albertans, Alberta businesses and farmers, non-profit groups, and our local partners from high energy costs.

One-time Energy Cost Shielding

Last winter, growing demand and tight supplies drove energy prices up to record levels. The average monthly Alberta wellhead price for natural gas climbed to over $11 per gigajoule ($11.82 per mcf) in January 2001, over four times higher than the previous January. Electricity prices also climbed sharply.

The government and the Power Pool Council acted to help all Alberta energy consumers with these higher costs:

- As required by legislation, the Power Pool Council is returning the proceeds of the two electricity auctions held in 2000 to electricity consumers. About $2 billion will be returned in 2001 through monthly rebates on electricity bills.
- The government is providing up to $337 million during the first six months of 2001 to assist Alberta businesses paying the default, non-contract rate for electricity and ease their transition into the deregulated market, if needed.
- The government is providing over $1 billion in natural gas rebates from January to April to assist with high prices in the first half of 2001. Winter natural gas prices for 2001 were reduced to about the same level as in 2000.
- $690 million is being returned to Albertans through Energy Tax Refunds.
- Special funding has also been set aside to handle hardship cases and ensure learning and health program dollars do not have to be diverted to cover higher energy costs.

Natural Gas Price Protection Program

Legislation has been introduced to establish a natural gas price protection program. The government will continue to provide rebates on monthly natural gas bills when assistance is needed to help protect Albertans from high prices.

The government will continue to provide rebates on natural gas bills when assistance is needed to help protect Albertans from high prices.

Natural gas prices have already declined from the record highs last winter as the supply-demand balance improves. Consistent with private sector forecasters, the fiscal plan assumes that prices will continue to decline over the next three years.

However, the expected average Alberta wellhead price of $4.77 per gigajoule ($5.03 per mcf) in 2001-02 is still higher than in recent years. Therefore, the budget has set aside $125 million for potential continued natural gas shielding this year.

If actual prices are significantly higher this year than currently forecast, further assistance will be provided. Higher prices would mean higher natural gas royalty revenues to the province than currently budgeted, a portion of which would be returned to Albertans through higher rebates.

Each year, the government will reassess the situation and decide whether continued rebates are necessary. The current revenue outlook, which projects that the natural gas price will decline to $3.56 per gigajoule in 2002-03 and $3.26 in 2003-04 ($3.75 and $3.44 per mcf) indicates that price protection may not be needed after 2001-02. If prices do not decline as forecast, further rebates may be required.

The government will work to reduce and stabilize electricity prices by streamlining the approval process to bring new generation projects on-stream.

A Reliable and Competitive Electricity Market

Alberta's deregulated electricity market is less than four months old. As with any product, regulated or not, prices over the medium term will be determined by the overall balance of supply and demand.

Increasing supply in Alberta is a key priority of the government. About 4,300 megawatts of new electricity generation is planned over the next few years, including about 600 megawatts this year. The government will work to reduce and stabilize prices by streamlining the approval process to bring these new generation projects on-stream.

Electricity rebates from the proceeds of the power auctions will continue through 2001. The government will continue to address price concerns and other consumer issues with the advice of the newly created Government Advisory Council on Electricity.

Energy Shielding

(millions of dollars)

	Proceeds of Auctions*	Government of Alberta 2000-01	Government of Alberta 2001-02
One-time Assistance			
Energy Tax Refund ($300 per Albertan aged 16 and over)		345	345
Electricity Rebates	2,000	129	208
Natural Gas, Propane and Heating Oil Rebates		785	265
Special Assistance			
Health and education institutions		13	62
Seniors, low-income persons and non-profit groups		5	—
Total One-Time Assistance	2,000	1,277	880
Natural Gas Price Protection Program	—	—	125
Total Assistance	**2,000**	**1,277**	**1,005**

* As required under legislation, the proceeds of the power auctions have been allocated to Alberta consumers. These proceeds are held in a separate fund administered by the Power Pool Council and are not included in the government's revenue and expense.

Albertans' Quality of Life – Sharing the Benefits

Fiscal responsibility, debt reduction and a strong economy are providing the flexibility to enhance services in areas important to Albertans' quality of life.

Fiscal responsibility, debt reduction and a strong economy are providing the flexibility to enhance services in areas important to Albertans' quality of life. The government is committed to:

- Protecting and improving public health care – Base health funding will increase by 28%, or $1.5 billion, over the next three years. By 2003-04, Health and Wellness spending will account for 35% of total government spending.
- Excellence in education – Fair wage settlements for teachers and addressing the issues of class size, special-needs students, faculty retention and accessibility to post-secondary education. Learning ministry program spending will increase by 19%, or $854 million, over the next three years. By 2003-04, Learning spending will account for 27% of total government spending.
- Services for children – An 18% increase in funding over three years to support children at risk.
- Assisting seniors – Increased assistance for low-income seniors and new seniors' lodge units.
- Supporting those in need – Increased funding for the Alberta Assured Income for the Severly Handicapped, the homeless and housing programs.
- Protecting the environment – Additional funding has been provided for environmental impact assessments, the Western Canada Flaring Study and to address contamination from underground petroleum storage tanks.
- Strengthening communities – A new First Nations Development Fund and increased funding for RCMP services and legal aid.

HEALTH AND WELLNESS

The government remains committed to its Six-Point Plan to protect and improve public health care. We will continue to:

1. improve access to quality publicly funded health services,
2. improve the management of the health system,
3. enhance the quality of health services,
4. increase emphasis on wellness promotion, and disease and accident prevention,
5. foster new ideas to improve the health system, and
6. protect the publicly funded and administered health system.

The Health and Wellness base budget will increase by $737 million, or 13.5%, in 2001-02 and by $1.5 billion, or 28.1%, over the next three years.

Spending by Health and Wellness will increase by $646 million in 2001-02 and $1.35 billion by 2003-04. Adjusting for one-time spending, the Health and Wellness base budget will increase by $737 million, or 13.5%, in 2001-02 and by over $1.5 billion, or 28.1%, over the next three years.

In the overall health sector, salaries and benefits make up about 75% of total operating costs. During the past year, new agreements with physicians, registered nurses and other health workers have provided substantial salary increases that should help recruit and retain highly skilled health care providers. $390 million is being provided for these salary increases in 2001-02, growing to $835 million by 2003-04.

After providing for salary increases, other base funding increases total $347 million, or 6.4%, in 2001-02 and $694 million, or 12.7%, over the next three years. These dollars will be allocated to enhanced health services, volume increases and other cost pressures, including:

- province-wide services such as organ and bone marrow transplants, major heart surgeries, and kidney dialysis,
- recruiting more physicians, including an additional $5 million to recruit and retain highly skilled neurosurgeons, cardio-vascular surgeons and other province-wide medical specialists,
- expanding immunization programs, including a province-wide meningitis immunization program,
- enhancing the Breast Cancer Screening program,
- expanding children's initiatives, such as enhancement of public health nursing to provide support to new mothers and a new province-wide perinatal program,
- enhancing the Tobacco Reduction Initiative,
- operating new MRI machines and increasing the number of scans to 24 per thousand population, the highest rate in Canada,
- forty medical residency positions in the new two-year rural family medicine training program,
- projects to assess changes in the delivery of primary care,
- regional health authority board elections in October 2001, and
- more high-cost drugs used in treating cancer.

Health and Wellness

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target	3-year Change
Base spending	5,445	6,182	6,657	6,974	1,529
Energy assistance	—	40	—	—	—
Medical equipment/other one-time	180	49	—	—	(180)
Ministry spending	**5,625**	**6,271**	**6,657**	**6,974**	**1,349**
Base					
Annual increase		737	475	317	1,529
Percentage increase		13.5	7.7	4.8	28.1
Ministry spending					
Annual increase		646	386	317	1,349
Percentage increase		11.5	6.2	4.8	24.0

LEARNING

Learning's program spending will increase by $343 million, or 7.7%, in 2001-02 and $854 million, or 19.1%, over the next three years.

Alberta's learning system offers accessible, world-class programs to Albertans. Alberta students consistently out perform others in national and international tests. For instance, our Grade 8 students are among the best in the world according to a 1999 international study of educational achievement in science and mathematics. Graduates from our post-secondary institutions are well recognized for their comprehensive training. Albertans have access to life-long learning, not only in classrooms but also on-line and at the worksite.

The government will build on these strengths over the next three years. Total program spending by Learning will increase by $343 million, or 7.7%, in 2001-02 and $854 million, or 19.1%, over the next three years.

Funding for public and separate school boards will increase by $245 million, or 8.4%, in the 2001-02 fiscal year and $554 million, or 19.1%, by 2003-04. This will support:

- average enrollment increases of 0.3% per year over the next three years,
- special funding for teacher salary increases of 4% in 2001-02 and an additional 2% in 2002-03,
- basic grant rate increases of 3.5% in 2001-02, 3% in 2002-03 and 2% in 2003-04 that school boards can allocate to their classroom priorities, such as class sizes, and
- increased funding for students with severe disabilities.

Funding will be provided for 1,200 new post-secondary student spaces each year over the next three years.

Funding for post-secondary institutions will increase by $79 million, or 8.0%, in 2001-02 and $187 million, or 19.0%, over the next three years. This will support:

- 1,200 new post-secondary student spaces each year over the next three years in areas including health, business, teacher education, and information and communication technology,
- an expansion in the number of apprenticeship spaces,
- base operational grant funding increases of 3% in 2001-02 and 2002-03 and 2% in 2003-04,
- $28.5 million in 2001-02, increasing to $40 million in the next two years, to attract and retain high-quality faculty, especially in critical areas such as medicine, computer science, engineering and business, and
- $12 million per year to address past funding inequities and help ensure all post-secondary institutions can fulfil their specific mandates.

With these significant new funding allocations, it is expected that post-secondary institutions will take appropriate steps to limit tuition increases.

Enhancements to Alberta's student finance programs will help ensure that financial need is not a barrier to post-secondary education. Student debt will be reduced automatically for eligible students in their first year of study and again after their final year of study. The program will provide students with over $70 million in debt reduction in 2001-02. Funding for scholarship programs that reward excellence in learning will increase by 43% to $33 million by 2003-04, benefiting about 20,000 students each year.

Learning

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target	3-year Change
Ministry program spending	4,464	4,807	5,108	5,318	854
Opted-out school boards' property tax revenue	154	146	146	146	(8)
Alberta School Foundation Fund debt servicing costs	6	7	8	8	2
Spending on the learning system	4,624	4,960	5,262	5,472	848
Ministry program spending					
Annual increase		343	301	210	854
Percentage increase		7.7	6.3	4.1	19.1
Spending on the learning system					
Annual increase		336	302	210	848
Percentage increase		7.3	6.1	4.0	18.3

SERVICES FOR CHILDREN

Children's Services funding will increase by $105 million, or 18%, over the next three years.

Children's Services funding will increase by $105 million, or 18%, over the next three years to support children at risk and respond to the recommendations of the Alberta Children's Forum and the Task Force on Children at Risk. Major initiatives include:

- expansion of outreach services, and treatment and prevention programs to support the amended *Protection of Children Involved in Prostitution Act*,
- increased funding for the Alberta Partnership on Fetal Alcohol Syndrome, and
- new programs focussed on early intervention strategies and troubled youths, including mobile community response teams and mentoring of youths leaving the child welfare system.

Other ministries are also implementing initiatives to support children and assist adolescents with special health needs.

ASSISTING SENIORS

Additional dollars have been allocated to ensure seniors have access to the supports they need to live as independently as possible in a secure and dignified way, including:

300 new seniors' lodge units each year for the next three years.

- an increase of $15 million over three years for lower-income seniors through the Alberta Seniors Benefit and Special Needs Assistance for Seniors programs, and
- funding to support 300 new seniors' lodge units each year for the next three years.

In 2001-02, the government will continue to build upon recent studies of seniors' programs and services, and provide a vision for government action to meet the needs of the aging population through the creation of a new strategic framework and 10-year action plan.

SUPPORTING THOSE IN NEED

Funding allocations for Albertans in need include:

An increase of $54 million, or 18%, over the next three years for the Alberta Assured Income for the Severely Handicapped.

- an increase of $54 million, or 18%, over the next three years for the Alberta Assured Income for the Severely Handicapped (AISH) to support growing demand and costs per client,
- a 50 percent increase to $18.7 million in 2001-02 for family and special purpose housing providers to assist with maintenance and operating costs, and
- $13 million per year to address homelessness.

PROTECTING THE ENVIRONMENT

- Municipal Affairs has been allocated $70 million in 2001-02 to address problems with underground petroleum storage tank sites, on top of the $10 million allocated in 2000-01.
- Environment will provide additional funding to accelerate environmental impact assessments and fund projects to be undertaken by Climate Change Central.
- $8.4 million has been allocated in 2001-02 for the Western Canada Flaring Study to determine the effects of air emissions on animal health. Health and Wellness is also contributing funds to a parallel study on human health effects.

STRENGTHENING COMMUNITIES

- The new First Nations Gaming Policy will create a revenue-sharing arrangement for casinos on reserves. The host First Nation will receive a share of the profits as the sponsoring charity. In addition, 40% of the profits from First Nations' slot machines will flow through the Alberta Lottery Fund into a new First Nations Development Fund to support on-reserve programs across Alberta. It is expected that $75 million will flow through this Fund over the next three years.
- Provincial funding of the RCMP will be increased by $16.4 million in 2001-02, and $24.5 million by 2003-04, to ensure an effective level of policing services in smaller communities and rural areas.
- Funding increases of $4.7 million in 2001-02, and $7.4 million by 2003-04, will improve the legal aid system and ensure more low-income Albertans have access to it.
- Up to $10 million will be provided in 2001-02 for the 2001 World Championships in Athletics to be held in Edmonton in August. This brings total provincial funding to up to $40 million.

Provincial funding of the RCMP will be increased by $16.4 million in 2001-02, and $24.5 million by 2003-04.

2001-04 Revenue Outlook

The revenue outlook for the next three years is based on a number of key economic assumptions – energy prices, interest rates, exchange rates, inflation, and economic growth trends in Alberta, Canada and the rest of the world. To ensure that spending remains affordable, the government will continue to use realistic, but prudent, revenue assumptions.

TOTAL REVENUE

Government revenue reached a record high of $25.4 billion in 2000-01. This included a record $10.5 billion of resource revenue – up $5.8 billion from 1999-2000 and double the previous record of $5.2 billion in 1984-85.

Energy prices are expected to decline to more sustainable levels over the next three years. As a result, resource revenue is forecast to decline by $5.9 billion. This is partly offset by a $1 billion, or 6.5%, increase in other revenues.

Total revenue is forecast to decline from $25.4 billion in 2000-01 to $22.7 billion in 2001-02 and $20.5 billion by 2003-04.

Total revenue is forecast to decline by 10.7%, or $2.7 billion, to $22.7 billion in 2001-02. Further declines of 8.8%, or $2.0 billion, in 2002-03 and 1.0%, or $0.2 billion, in 2003-04 are expected.

Revenue Forecast

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Tax revenue	8,476	8,458	8,642	8,747
Non-renewable resource revenue	10,479	7,536	5,111	4,584
Federal transfers	1,751	2,078	2,026	2,078
Investment income	1,439	1,256	1,429	1,512
Other revenue	3,248	3,345	3,467	3,547
Total Revenue	25,393	22,673	20,675	20,468

RESOURCE REVENUE

Oil and gas prices climbed dramatically in 2000-01. Oil prices averaged US$30.20 per barrel, far above the ten-year annual average of US$19.87 per barrel. Gas prices were three and a half times the ten-year annual average of Cdn$1.76 per thousand cubic feet, averaging $6.07 for the fiscal year. Resource revenues reached the highest level ever, at $10.5 billion, or over 40% of total revenue.

Energy prices are one of the most important factors in determining total provincial revenue in any given year and yet, because of their extreme volatility, remain very difficult to predict. Private sector forecasters expect that energy prices will recede from the high levels of 2000-01, although there is a wide range among the forecasts. The government has adopted a realistic, but prudent, forecast after considering the range of private sector forecasts.

The fiscal plan assumes that oil prices will fall from US$30.20 per barrel in 2000-01 to US$25 in 2001-02, with a further decline to US$21 in 2002-03 and 2003-04.

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Relatively modest growth in demand, increasing non-OPEC production and higher OPEC capacity are expected to lead to the weakening in prices over the next two years.

While oil is sold on the international market, natural gas is priced in the North American market. Many factors affect this market but none is quite as unpredictable as the weather. Three consecutive mild winters in the United States had masked an underlying tightening of natural gas markets. Then the coldest November and December in the United States in 100 years caused a dramatic climb in natural gas prices across North America. The Alberta Gas Reference price reached a record high of Cdn$11.82 per mcf in January 2001.

The fiscal plan assumes that natural gas prices will fall from Cdn$6.07 per mcf in 2001-02 to $5.03 in 2001-02, with further declines to $3.75 in 2002-03 and $3.44 in 2003-04.

Mild weather since December and the impact of the high prices on consumption has led to a softening of prices to below $7 per mcf by March 2001. Natural gas prices are expected to continue falling. The size and speed of the decline will be influenced by how hot the summer is in the United States, how fast additional production comes on stream and the strength of the North American economies. The fiscal plan assumes that natural gas prices will fall from Cdn$6.07 per mcf in 2001-02 to $5.03 in 2001-02, with further declines to $3.75 in 2002-03 and $3.44 in 2003-04.

Non-Renewable Resource Revenue

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Natural gas and by-products royalty	7,083	5,494	3,710	3,276
Crude oil royalty	1,453	881	475	340
Synthetic crude oil and bitumen royalty	784	300	323	451
Coal royalty	11	11	10	9
Bonuses and sales of Crown leases	1,147	845	555	480
Rentals and fees	159	170	170	152
Royalty tax credit	(158)	(165)	(132)	(124)
Total Non-Renewable Resource Revenue	10,479	7,536	5,111	4,584

Natural gas is now much more important than oil to the province's total resource revenues. In 2001-02, natural gas and by-products royalties are forecast to be $5.5 billion, over 70% of total resource revenue. In comparison, oil royalties account for just over 15% of resource revenue.

TAX REVENUE

Personal, business and school property tax cuts will limit the growth in tax revenue over the next three years to 3.2% or $271 million.

Tax cuts will limit the growth in tax revenue over the next three years to 3.2%.

Personal income tax revenue – Personal income tax revenue is forecast to increase by $957 million, or 24%, over the next three years, reflecting strong income growth and one-time reductions in 2000-01 revenue.

2000-01 revenue was reduced by the $345 million Energy Tax Refund and a $279 million negative prior year adjustment. Underlying growth in base revenue, after adjusting for these items, is about 7.3% over the three years.

Base personal income tax revenue declines by about 3.7% in 2001-02, reflecting personal income tax cuts. In 2002-03 and 2003-04, base revenue grows by an average of 5.5% a year, in line with personal income.

Personal Income Tax Revenue

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Base personal income tax	4,591	4,422	4,658	4,924
Energy Tax Refund	(345)	(345)	—	—
Prior-year adjustment	(279)	—	—	—
Personal income tax revenue	3,967	4,077	4,658	4,924

Corporate income tax revenue – Revenue is forecast to decline by $507 million, or 26%, over the next three years reflecting the four-year plan to cut business taxes by $1 billion. Over the next three years, the cost of the corporate income tax reductions is expected to total about $730 million. This is partly offset by the growth in taxable income.

School property tax revenue – The government cut school property taxes on January 1, 2001 and will freeze them at the reduced level in future years. Provincial school property taxes will be $1,048 million per year during the three-year fiscal plan. Taxes collected directly by opted-out school boards are estimated at $146 million per year, resulting in total school property taxes of about $1.2 billion annually.

Other tax revenue – Other tax revenue is expected to decline by $96 million, or nearly 7% over the next three years. This is primarily due to the elimination of the financial institutions capital tax on April 1, 2001 and lower revenue from the freehold mineral rights tax as energy prices decline.

Tax Revenue

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Personal income tax	3,967	4,077	4,658	4,924
Corporate income tax	1,978	1,974	1,599	1,471
School property tax	1,131	1,048	1,048	1,048
Other taxes	1,400	1,359	1,337	1,304
Total Tax Revenue	8,476	8,458	8,642	8,747

FEDERAL TRANSFERS

In 2001-02, transfers from the Government of Canada are expected to increase by $327 million, or 18.7%, and then remain flat for the following two years. Federal transfers account for about 9% of total provincial government revenue.

Cash payments from the Canada Health and Social Transfer are expected to rise by $310 million over the next three years.

The September 11, 2000 First Ministers' Meeting has resulted in additional federal funding for health care and social services:

- Cash payments from the Canada Health and Social Transfer are expected to rise by $310 million over the next three years,
- $49 million is being provided in both 2000-01 and 2001-02 for medical diagnostic and treatment equipment, and
- $14 million per year will be provided through a Health Transition Fund to support innovation and reform in primary care.

Federal support for agriculture is expected to increase by $165 million in 2001-02, including a one-time payment of about $127 million. Payments are expected to decline to around $135 million for the following two years.

Transfers from the Government of Canada

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Canada Health and Social Transfer	1,331	1,482	1,593	1,641
Medical Equipment Fund	49	49	—	—
Health Transition Fund	—	14	14	14
Agriculture support	79	244	133	135
Labour market development	124	122	122	122
Other	168	167	164	166
Total Transfers	1,751	2,078	2,026	2,078

INVESTMENT INCOME

Investment income is forecast to fall by $183 million, or 12.7%, in 2001-02 as a result of weak equity markets. As markets rebound, investment income is forecast to increase by $256 million over the following two years.

Alberta Municipal Financing Corporation's interest income on outstanding loans to municipalities and school boards is expected to continue to decline as these loans are repaid.

Investment Income

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Alberta Heritage Savings Trust Fund	733	551	735	874
Alberta Municipal Financing Corporation	407	358	331	305
Endowment funds	125	87	116	135
Debt retirement funds	20	107	86	30
Other	154	153	161	168
Total Investment Income	1,439	1,256	1,429	1,512

REVENUE FROM OTHER SOURCES

Total revenue from all other sources is forecast to grow by 9.2%, or $299 million, over the next three years. This includes higher lottery revenues, increased revenue from liquor operations and timber rental fees.

Revenue from Other Sources

(millions of dollars)

	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
Lottery revenue	947	1,010	1,087	1,136
Premiums, fees & licenses	1,271	1,314	1,341	1,362
Other	1,030	1,021	1,039	1,049
Total Other Revenue	3,248	3,345	3,467	3,547

RISKS TO THE FORECAST

As with any budget, there are always risks surrounding the forecast. The key risks to Budget 2001 are energy prices, and economic growth in Canada, the United States and the rest of the world.

Alberta's legal requirement to have an economic cushion equivalent to at least 3.5% of budgeted revenue helps protect against downside risks.

Energy prices – The government has adopted realistic, but prudent, oil and gas price assumptions for the next three fiscal years. However, energy prices are highly volatile. Each US$1 per barrel change in oil prices affects Alberta's revenue by about $153 million. Each 10 cent swing in natural gas prices affects revenue by about $142 million.

Each US$1 per barrel change in oil prices affects Alberta's revenue by about $153 million. Each 10 cent swing in natural gas prices affects revenue by about $142 million.

Economic growth – The fiscal plan builds in the current sharp slowing of the economy in the United States and central Canada. It assumes that the central banks successfully engineer a "soft landing" where economic growth slows but begins to rebound later in the year.

Some analysts are now forecasting a "hard landing" with weak growth, or possibly a mild recession, in the United States and the rest of Canada. This would slow Alberta's growth modestly from the current forecast. The impact on the economy and government revenue would be more serious if a hard landing led to a drop in global energy demand and a sharper reduction in energy prices than currently forecast.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Fiscal Plan Tables 2001-04

Consolidated Fiscal Summary[a]

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Revenue	20,172	19,075	25,393	22,673	20,675	20,468
Expense						
Program	16,425	16,732	18,188	20,832	18,922	19,163
Debt servicing costs	956	981	1,000	750	620	515
Total Expense	17,381	17,713	19,188	21,582	19,542	19,678
Net Revenue	2,791	1,362	6,205	1,091	1,133	790
Less: Net increase in capital assets affecting operations[b]	74	149	156	274	289	48
	2,717	1,213	6,049	817	844	742
Alberta Heritage Science and Engineering Research Endowment Fund	—	500	500	—	—	—
Economic Cushion	2,717	713	5,549	817	844	742
Planned allocation of economic cushion						
Debt repayment and increase in financial assets	2,717	535	5,549	613	633	557
Contingency reserve	—	178	—	204	211	185

[a] Subject to the *Fiscal Responsibility Act*.

[b] Converts capital expense to a pay-as-you-go basis.

Cash Available for Accumulated Debt Repayment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Allocation for debt repayment/increase in assets	2,717	535[a]	5,549[a]	613	633	557
Current year cash adjustments/retained income	(631)	(3)	(1,746)	1,144	303	(433)
Current year cash available	2,086	532	3,803	1,757	936	124
Cash available from previous year	—	—	470	2,125	2,120	1,374
Cash Available for Accumulated Debt Repayment	2,086	532	4,273	3,882	3,056	1,498

[a] Excludes the $500 million allocation for the Alberta Heritage Science and Engineering Research Endowment Fund.

Allocation of Cash Available for Accumulated Debt Repayment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Allocation of Cash Available						
Current year debt maturities and redemptions	1,616	532	2,148	1,762	1,682	1,498
Future year debt maturities and redemptions	470	—	2,125	2,120	1,374	—
Total Allocation	2,086	532	4,273	3,882	3,056	1,498

Accumulated Debt

(millions of dollars)

	1999-2000 Actual	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Accumulated debt at start of year	14,106	12,490	10,342	8,580	6,898
Less: Repayment of maturities and redemptions	1,616	2,148	1,762	1,682	1,498
Accumulated debt at end of year	12,490	10,342	8,580	6,898	5,400
Cash set aside for future debt repayment	470	2,125	2,120	1,374	—
Accumulated Debt Less Cash Set Aside	12,020	8,217	6,460	5,524	5,400

Net Financial Position

(millions of dollars)

	At March 31				
	2000 Actual	2001 Forecast	2002 Estimate	2003 Target	2004 Target
Financial Assets					
Heritage Fund external investments	11,678	11,943	12,122	12,156	12,161
Endowment Funds[a]	1,338	1,896	1,894	1,872	1,910
Self-supporting lending organizations[b]	5,495	4,962	4,991	5,033	5,046
Funds available for debt repayment	470	2,125	2,120	1,374	—
Other financial assets	3,006	4,068	2,766	2,414	2,541
Total Financial Assets	21,987	24,994	23,893	22,849	21,658
Liabilities					
Accumulated debt	12,490	10,342	8,580	6,898	5,400
Pension obligations	4,728	4,728	4,758	4,802	4,863
Self-supporting lending organizations[b]	4,251	3,662	3,629	3,593	3,512
Accounts and interest payable and other liabilities	2,892	2,643	2,542	2,519	2,345
Less: Debt held internally by consolidated entities	(300)	(356)	(174)	(110)	(105)
Total Liabilities	24,061	21,019	19,335	17,702	16,015
Net Assets (Debt)	(2,074)	3,975	4,558	5,147	5,643
Pension obligations	4,728	4,728	4,758	4,802	4,863
Net Assets Excluding Pension Obligations	2,654	8,703	9,316	9,949	10,506

[a] Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Scholarship Fund, and Alberta Heritage Science and Engineering Research Endowment Fund.

[b] Alberta Municipal Financing Corporation, Agriculture Financial Services Corporation and Alberta Opportunity Company.

Consolidated Fiscal Summary[a]

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Revenue	20,172	19,075	25,393	22,673	20,675	20,468
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Net Revenue	2,791	1,362	6,205	1,091	1,133	790
Less: Net increase in capital assets affecting operations[b]	74	149	156	274	289	48
	2,717	1,213	6,049	817	844	742
Alberta Heritage Science and Engineering Research Endowment Fund	—	500	500	—	—	—
Economic Cushion	2,717	713	5,549	817	844	742
Planned allocation of economic cushion						
Debt repayment and increase in financial assets	2,717	535	5,549	613	633	557
Contingency reserve	—	178	—	204	211	185

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Cash Available for Accumulated Debt Repayment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
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Current year cash adjustments/retained income	(631)	(3)	(1,746)	1,144	303	(433)
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Cash Available for Accumulated Debt Repayment	2,086	532	4,273	3,882	3,056	1,498

[a] Excludes the $500 million allocation for the Alberta Heritage Science and Engineering Research Endowment Fund.

Allocation of Cash Available for Accumulated Debt Repayment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
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Future year debt maturities and redemptions	470	—	2,125	2,120	1,374	—
Total Allocation	2,086	532	4,273	3,882	3,056	1,498

Accumulated Debt

(millions of dollars)

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Accumulated debt at start of year	14,106	12,490	10,342	8,580	6,898
Less: Repayment of maturities and redemptions	1,616	2,148	1,762	1,682	1,498
Accumulated debt at end of year	12,490	10,342	8,580	6,898	5,400
Cash set aside for future debt repayment	470	2,125	2,120	1,374	—
Accumulated Debt Less Cash Set Aside	12,020	8,217	6,460	5,524	5,400

Net Financial Position

(millions of dollars)

	At March 31				
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Funds available for debt repayment	470	2,125	2,120	1,374	—
Other financial assets	3,006	4,068	2,766	2,414	2,541
Total Financial Assets	21,987	24,994	23,893	22,849	21,658
Liabilities					
Accumulated debt	12,490	10,342	8,580	6,898	5,400
Pension obligations	4,728	4,728	4,758	4,802	4,863
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Accounts and interest payable and other liabilities	2,892	2,643	2,542	2,519	2,345
Less: Debt held internally by consolidated entities	(300)	(356)	(174)	(110)	(105)
Total Liabilities	24,061	21,019	19,335	17,702	16,015
Net Assets (Debt)	(2,074)	3,975	4,558	5,147	5,643
Pension obligations	4,728	4,728	4,758	4,802	4,863
Net Assets Excluding Pension Obligations	2,654	8,703	9,316	9,949	10,506

[a] Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Scholarship Fund, and Alberta Heritage Science and Engineering Research Endowment Fund.

[b] Alberta Municipal Financing Corporation, Agriculture Financial Services Corporation and Alberta Opportunity Company.

Revenue

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Income Taxes						
Personal income tax	5,100	4,713	3,967	4,077	4,658	4,924
Corporate income tax	1,255	1,896	1,978	1,974	1,599	1,471
	6,355	6,609	5,945	6,051	6,257	6,395
Other Taxes						
School property tax	1,128	1,157	1,131	1,048	1,048	1,048
Fuel tax	568	559	585	581	583	585
Tobacco tax	339	355	343	344	347	350
Freehold mineral rights tax	134	135	261	253	217	171
Insurance corporations tax	117	127	126	134	142	150
Hotel room tax	48	47	47	47	48	48
Financial institutions capital tax	35	38	38	—	—	—
	2,369	2,418	2,531	2,407	2,385	2,352
Non-Renewable Resource Revenue						
Natural gas and by-products royalty	2,441	2,323	7,083	5,494	3,710	3,276
Crude oil royalty	1,072	632	1,453	881	475	340
Synthetic crude oil and bitumen royalty	426	469	784	300	323	451
Coal royalty	15	14	11	11	10	9
Bonuses and sales of Crown leases	743	650	1,147	845	555	480
Rentals and fees	141	157	159	170	170	152
Royalty tax credit	(188)	(197)	(158)	(165)	(132)	(124)
	4,650	4,048	10,479	7,536	5,111	4,584
Transfers from Government of Canada						
Canada Health and Social Transfer	1,164	1,100	1,331	1,482	1,593	1,641
Medical equipment and primary care	—	—	49	63	14	14
Agriculture support programs	171	53	79	244	133	135
Labour market development	122	124	124	122	122	122
Other	183	168	168	167	164	166
	1,640	1,445	1,751	2,078	2,026	2,078
Investment Income						
Alberta Heritage Savings Trust Fund	1,108	814	733	551	735	874
Alberta Municipal Financing Corporation	438	403	407	358	331	305
Endowment Funds:						
Medical Research	175	74	74	45	61	72
Scholarship	57	21	29	28	29	30
Science and Engineering Research	—	12	22	14	26	33
Interest on debt retirement funds	—	—	20	107	86	30
Agriculture Financial Services Corporation	73	77	86	92	100	107
Other	55	59	68	61	61	61
	1,906	1,460	1,439	1,256	1,429	1,512
Net Income from Commercial Operations						
Alberta Gaming and Liquor Commission:						
Lottery revenue	857	831	947	1,010	1,087	1,136
Liquor operations	470	458	470	478	487	497
Alberta Treasury Branches	228	114	161	151	168	186
Other	18	5	7	4	4	4
	1,573	1,408	1,585	1,643	1,746	1,823
Premiums, Fees and Licences						
Health care insurance premiums	653	660	669	670	681	691
Motor vehicle licences	200	196	206	208	206	210
Timber rentals and fees	101	89	77	90	91	90
Crop and hail insurance premiums	71	77	58	62	79	80
Land titles	56	28	30	31	31	32
Other	248	234	231	253	253	259
	1,329	1,284	1,271	1,314	1,341	1,362
Other						
Alberta Dairy Control Board	63	59	73	62	62	62
Fines and penalties	41	40	41	43	43	43
Sale of capital assets	21	62	34	34	30	3
Miscellaneous	225	242	244	249	245	254
	350	403	392	388	380	362
Total Revenue	20,172	19,075	25,393	22,673	20,675	20,468

Revenue

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
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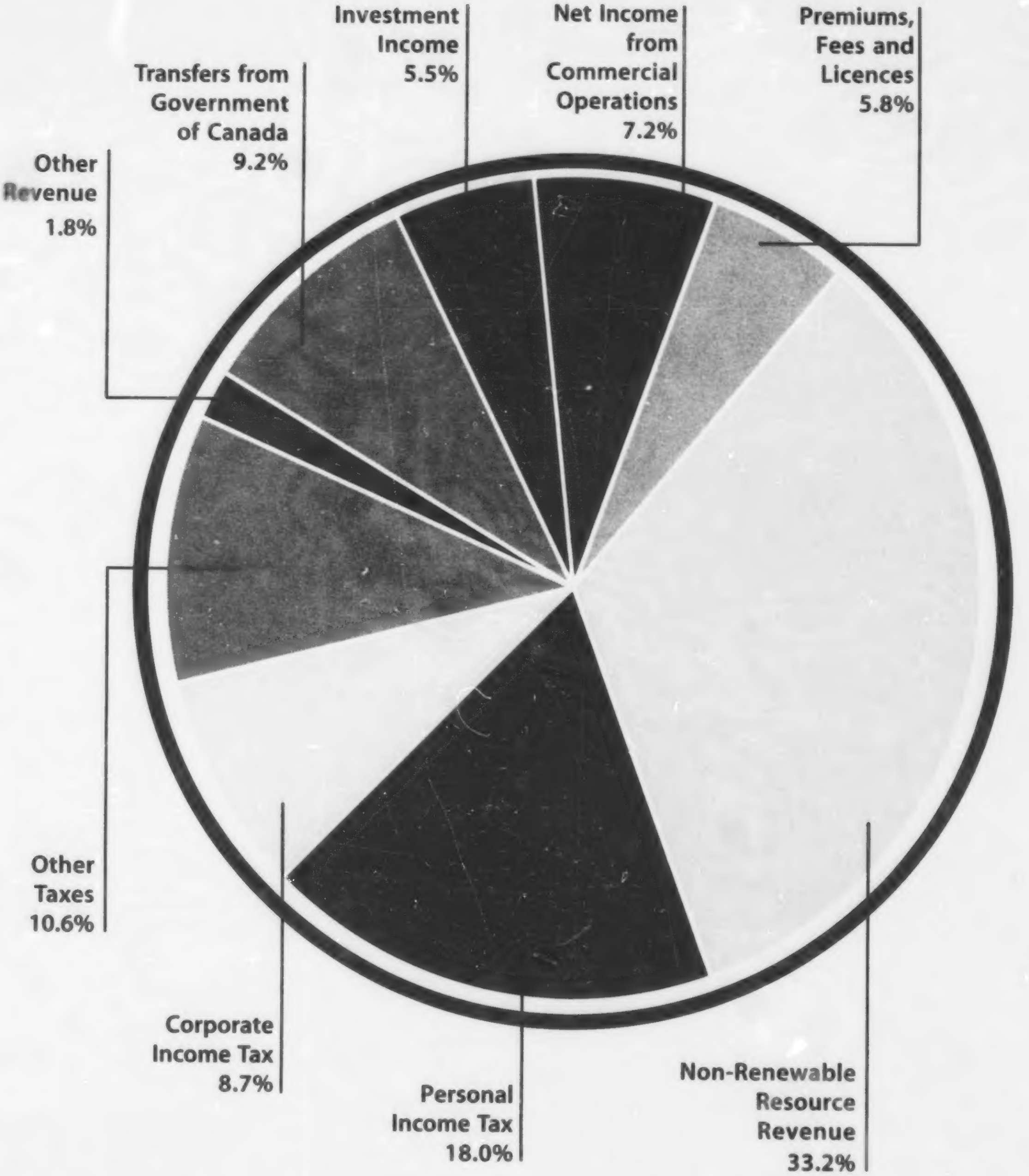
Personal income tax	5,100	4,713	3,967	4,077	4,658	4,924
Corporate income tax	1,255	1,896	1,978	1,974	1,599	1,471
	6,355	6,609	5,945	6,051	6,257	6,395
Other Taxes						
School property tax	1,128	1,157	1,131	1,048	1,048	1,048
Fuel tax	568	559	585	581	583	585
Tobacco tax	339	355	343	344	347	350
Freehold mineral rights tax	134	135	261	253	217	171
Insurance corporations tax	117	127	126	134	142	150
Hotel room tax	48	47	47	47	48	48
Financial institutions capital tax	35	38	38	—	—	—
	2,369	2,418	2,531	2,407	2,385	2,352
Non-Renewable Resource Revenue						
Natural gas and by-products royalty	2,441	2,323	7,083	5,494	3,710	3,276
Crude oil royalty	1,072	632	1,453	881	475	340
Synthetic crude oil and bitumen royalty	426	469	784	300	323	451
Coal royalty	15	14	11	11	10	9
Bonuses and sales of Crown leases	743	650	1,147	845	555	480
Rentals and fees	141	157	159	170	170	152
Royalty tax credit	(188)	(197)	(158)	(165)	(132)	(124)
	4,650	4,048	10,479	7,536	5,111	4,584
Transfers from Government of Canada						
Canada Health and Social Transfer	1,164	1,100	1,331	1,482	1,593	1,641
Medical equipment and primary care	—	—	49	63	14	14
Agriculture support programs	171	53	79	244	133	135
Labour market development	122	124	124	122	122	122
Other	183	168	168	167	164	166
	1,640	1,445	1,751	2,078	2,026	2,078
Investment Income						
Alberta Heritage Savings Trust Fund	1,108	814	733	551	735	874
Alberta Municipal Financing Corporation	438	403	407	358	331	305
Endowment Funds:						
Medical Research	175	74	74	45	61	72
Scholarship	57	21	29	28	29	30
Science and Engineering Research	—	12	22	14	26	33
Interest on debt retirement funds	—	—	20	107	86	30
Agriculture Financial Services Corporation	73	77	86	92	100	107
Other	55	59	68	61	61	61
	1,906	1,460	1,439	1,256	1,429	1,512
Net Income from Commercial Operations						
Alberta Gaming and Liquor Commission:						
Lottery revenue	857	831	947	1,010	1,087	1,136
Liquor operations	470	458	470	478	487	497
Alberta Treasury Branches	228	114	161	151	168	186
Other	18	5	7	4	4	4
	1,573	1,408	1,585	1,643	1,746	1,823
Premiums, Fees and Licences						
Health care insurance premiums	653	660	669	670	681	691
Motor vehicle licences	200	196	206	208	206	210
Timber rentals and fees	101	89	77	90	91	90
Crop and hail insurance premiums	71	77	58	62	79	80
Land titles	56	28	30	31	31	32
Other	248	234	231	253	253	259
	1,329	1,284	1,271	1,314	1,341	1,362
Other						
Alberta Dairy Control Board	63	59	73	62	62	62
Fines and penalties	41	40	41	43	43	43
Sale of capital assets	21	62	34	34	30	3
Miscellaneous	225	242	244	249	245	254
	350	403	392	388	380	362
Total Revenue	20,172	19,075	25,393	22,673	20,675	20,468

Revenue

Total Revenue $22.7 billion

2001-02 ESTIMATE



Expense[a]

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Program						
Legislative Assembly	39	56	56	58	54	56
Aboriginal Affairs and Northern Development	35	30	30	30	30	30
Agriculture, Food and Rural Development	765	628	790	883	629	635
Children's Services	507	539	587	648	685	692
Community Development	510	487	554	599	606	666
Economic Development	47	51	51	51	52	52
Energy	136	147	152	175	174	177
Environment	98	102	103	122	106	106
Executive Council	13	13	14	15	15	15
Finance	522	508	503	469	442	416
Gaming	179	183	183	217	246	259
Government Services	49	50	51	51	52	52
Health and Wellness	5,117	5,323	5,625	6,271	6,657	6,974
Human Resources and Employment	977	1,031	1,008	1,055	1,064	1,068
Infrastructure	734	675	1,708	2,768	660	576
Innovation and Science	170	185	180	232	296	230
International and Intergovernmental Relations	5	6	6	6	6	6
Justice	197	229	229	220	223	228
Learning	4,192	4,455	4,464	4,807	5,108	5,318
Municipal Affairs	132	141	161	203	134	135
Revenue	91	116	109	136	185	146
Seniors	236	250	259	299	273	279
Solicitor General	215	228	231	253	259	267
Sustainable Resource Development	332	207	246	204	196	199
Transportation	1,127	1,092	888	1,060	770	581
Total Program Expense	16,425	16,732	18,188	20,832	18,922	19,163
Debt servicing costs	956	981	1,000	750	620	515
Total Expense	17,381	17,713	19,188	21,582	19,542	19,678

[a] Net of internal government transactions.

Net Increase in Capital Assets Affecting Operations

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Capital investment	305	429	430	588	626	396
Less: Capital amortization	231	280	274	314	337	348
Net Increase in Capital Assets affecting Operations	74	149	156	274	289	48

Expense[a]

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Program						
Legislative Assembly	39	56	56	58	54	56
Aboriginal Affairs and Northern Development	35	30	30	30	30	30
Agriculture, Food and Rural Development	765	628	790	883	629	635
Children's Services	507	539	587	648	685	692
Community Development	510	487	554	599	606	666
Economic Development	47	51	51	51	52	52
Energy	136	147	152	175	174	177
Environment	98	102	103	122	106	106
Executive Council	13	13	14	15	15	15
Finance	522	508	503	469	442	416
Gaming	179	183	183	217	246	259
Government Services	49	50	51	51	52	52
Health and Wellness	5,117	5,323	5,625	6,271	6,657	6,974
Human Resources and Employment	977	1,031	1,008	1,055	1,064	1,068
Infrastructure	734	675	1,708	2,768	660	576
Innovation and Science	170	185	180	232	296	230
International and Intergovernmental Relations	5	6	6	6	6	6
Justice	197	229	229	220	223	228
Learning	4,192	4,455	4,464	4,807	5,108	5,318
Municipal Affairs	132	141	161	203	134	135
Revenue	91	116	109	136	185	146
Seniors	236	250	259	299	273	279
Solicitor General	215	228	231	253	259	267
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[a] Net of internal government transactions.

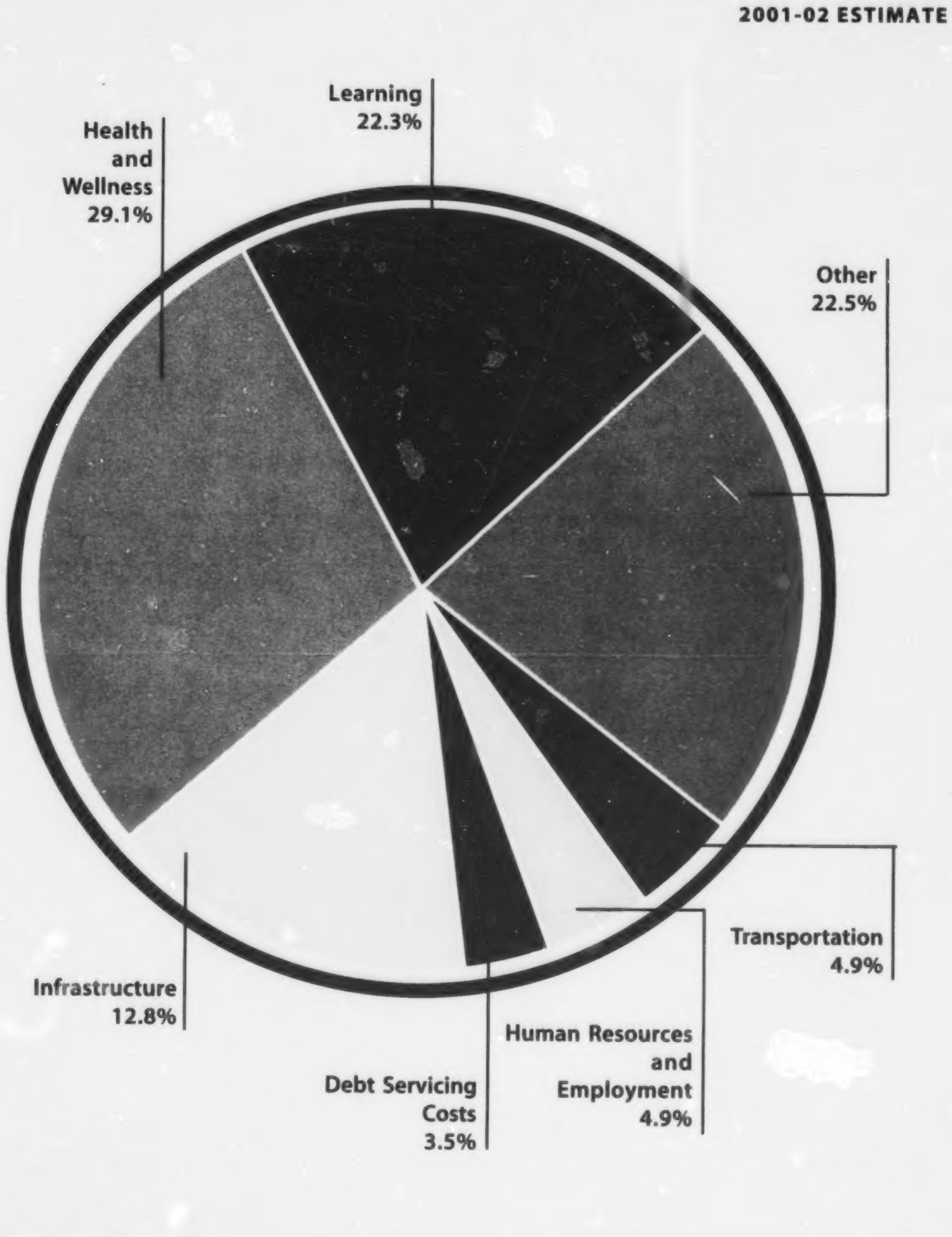
Net Increase in Capital Assets Affecting Operations

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Capital investment	305	429	430	588	626	396
Less: Capital amortization	231	280	274	314	337	348
Net Increase in Capital Assets affecting Operations	74	149	156	274	289	48

Expense

Total Expense $21.6 billion



Capital Investment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Legislative Assembly	—	—	—	1	—	—
Aboriginal Affairs and Northern Development	—	—	—	—	—	—
Agriculture, Food and Rural Development	8	5	9	4	7	3
Children's Services	—	—	—	—	—	—
Community Development	15	4	4	3	3	3
Economic Development	—	—	—	—	—	—
Energy	5	7	11	7	7	7
Environment	1	1	1	1	1	1
Executive Council	—	—	—	—	—	—
Finance	2	4	2	5	3	2
Gaming	—	—	—	—	—	—
Government Services	1	2	2	1	1	1
Health and Wellness	4	2	3	2	2	2
Human Resources and Employment	1	5	2	4	4	4
Infrastructure	14	26	26	52	39	55
Innovation and Science	16	11	10	12	12	12
International and Intergovernmental Relations	—	—	—	—	—	—
Justice	3	1	1	1	2	1
Learning	1	3	3	6	3	3
Municipal Affairs	—	1	2	1	—	—
Revenue	1	2	2	2	1	1
Seniors	3	1	1	1	3	1
Solicitor General	—	—	—	—	—	—
Sustainable Resource Development	3	8	6	3	3	3
Transportation	227	346	345	482	535	297
Total Capital Investment	305	429	430	588	626	396

Capital Amortization

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Legislative Assembly	—	—	—	—	—	—
Aboriginal Affairs and Northern Development	—	—	—	—	—	—
Agriculture, Food and Rural Development	3	6	6	6	6	6
Children's Services	—	1	1	1	1	1
Community Development	9	10	10	10	10	10
Economic Development	—	—	—	—	—	—
Energy	6	7	7	7	8	8
Environment	15	16	16	16	16	16
Executive Council	—	—	—	—	—	—
Finance	—	2	1	1	2	3
Gaming	—	—	—	—	—	—
Government Services	2	3	2	5	4	4
Health and Wellness	1	1	1	2	3	4
Human Resources and Employment	3	3	3	3	3	3
Infrastructure	47	50	50	54	52	52
Innovation and Science	10	13	10	8	9	9
International and Intergovernmental Relations	—	—	—	—	—	—
Justice	—	1	1	1	1	1
Learning	1	1	1	2	3	3
Municipal Affairs	1	1	1	2	2	2
Revenue	1	2	1	2	2	2
Seniors	25	24	24	24	25	24
Solicitor General	—	—	—	—	—	—
Sustainable Resource Development	6	6	6	6	6	6
Transportation	101	133	133	164	184	194
Total Capital Amortization	231	280	274	314	337	348

Capital Investment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Legislative Assembly	—	—	—	1	—	—
Aboriginal Affairs and Northern Development	—	—	—	—	—	—
Agriculture, Food and Rural Development	8	5	9	4	7	3
Children's Services	—	—	—	—	—	—
Community Development	15	4	4	3	3	3
Economic Development	—	—	—	—	—	—
Energy	5	7	11	7	7	7
Environment	1	1	1	1	1	1
Executive Council	—	—	—	—	—	—
Finance	2	4	2	5	3	2
Gaming	—	—	—	—	—	—
Government Services	1	2	2	1	1	1
Health and Wellness	4	2	3	2	2	2
Human Resources and Employment	1	5	2	4	4	4
Infrastructure	14	26	26	52	39	55
Innovation and Science	16	11	10	12	12	12
International and Intergovernmental Relations	—	—	—	—	—	—
Justice	3	1	1	1	2	1
Learning	1	3	3	6	3	3
Municipal Affairs	—	1	2	1	—	—
Revenue	1	2	2	2	1	1
Seniors	3	1	1	1	3	1
Solicitor General	—	—	—	—	—	—
Sustainable Resource Development	3	8	6	3	3	3
Transportation	227	346	345	482	535	297
Total Capital Investment	305	429	430	588	626	396

Capital Amortization

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Legislative Assembly	—	—	—	—	—	—
Aboriginal Affairs and Northern Development	—	—	—	—	—	—
Agriculture, Food and Rural Development	3	6	6	6	6	6
Children's Services	—	1	1	1	1	1
Community Development	9	10	10	10	10	10
Economic Development	—	—	—	—	—	—
Energy	6	7	7	7	8	8
Environment	15	16	16	16	16	16
Executive Council	—	—	—	—	—	—
Finance	—	2	1	1	2	3
Gaming	—	—	—	—	—	—
Government Services	2	3	2	5	4	4
Health and Wellness	1	1	1	2	3	4
Human Resources and Employment	3	3	3	3	3	3
Infrastructure	47	50	50	54	52	52
Innovation and Science	10	13	10	8	9	9
International and Intergovernmental Relations	—	—	—	—	—	—
Justice	—	1	1	1	1	1
Learning	1	1	1	2	3	3
Municipal Affairs	1	1	1	2	2	2
Revenue	1	2	1	2	2	2
Seniors	25	24	24	24	25	24
Solicitor General	—	—	—	—	—	—
Sustainable Resource Development	6	6	6	6	6	6
Transportation	101	133	133	164	184	194
Total Capital Amortization	231	280	274	314	337	348

Support for Infrastructure[a]

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Agriculture, Food and Rural Development	27	29	21	29	28	27
Community Development	2	1	50	42	1	1
Environment	8	9	9	9	7	7
Gaming	34	25	25	25	[illegible]	25
Health and Wellness	34	56	161	49	—	8
Infrastructure	448	393	499	1,849	357	286
Innovation and Science	—	—	—	46	109	38
Learning	20	60	60	—	—	20
Municipal Affairs	—	10	10	70	—	—
Seniors	32	19	31	54	23	25
Transportation	968	897	693	830	520	320
Total Support for Infrastructure	1,573	1,499	1,559	3,003	1,070	757

[a] Included in program expense.

Debt Servicing Costs

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Agriculture, Food and Rural Development						
Agriculture Financial Services Corporation	47	60	53	55	51	55
Alberta Opportunity Company	5	5	5	5	6	6
Finance	838	853	882	633	510	403
Learning						
Alberta School Foundation Fund	4	8	6	7	8	8
Seniors						
Alberta Social Housing Corporation	59	55	54	50	45	43
Sustainable Resource Development						
Environmental Protection and Enhancement Fund	3	—	—	—	—	—
Total Debt Servicing Costs	956	981	1,000	750	620	515

Support for Infrastructure[a]

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Agriculture, Food and Rural Development	27	29	21	29	28	27
Community Development	2	1	50	42	1	1
Environment	8	9	9	9	7	7
Gaming	34	25	25	25	25	25
Health and Wellness	34	56	161	49	—	8
Infrastructure	448	393	499	1,849	357	286
Innovation and Science	—	—	—	46	109	38
Learning	20	60	60	—	—	20
Municipal Affairs	—	10	10	70	—	—
Seniors	32	19	31	54	23	25
Transportation	968	897	693	830	520	320
Total Support for Infrastructure	1,573	1,499	1,559	3,003	1,070	757

[a] Included in program expense.

Debt Servicing Costs

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Agriculture, Food and Rural Development						
Agriculture Financial Services Corporation	47	60	53	55	51	55
Alberta Opportunity Company	5	5	5	5	6	6
Finance	838	853	882	633	510	403
Learning						
Alberta School Foundation Fund	4	8	6	7	8	8
Seniors						
Alberta Social Housing Corporation	59	55	54	50	45	43
Sustainable Resource Development						
Environmental Protection and Enhancement Fund	3	—	—	—	—	—
Total Debt Servicing Costs	956	981	1,000	750	620	515

2001-02 Allocation of Lottery Fund Revenue

(millions of dollars)

Lottery Revenue[a]	1,016
Less: Lottery operation costs	(70)
Net Lottery Revenue	946
Agriculture, Food and Rural Development	
Agricultural initiatives	12
Children's Services	
Fetal alcohol initiative	1
Community Development	
Centennial initiatives	41
Alberta Foundation for the Arts	21
Alberta Sport, Recreation, Parks and Wildlife Foundation	15
2001 World Championships in Athletics	10
Assistance to First Nations Development Fund	8
Wild Rose Foundation	7
Alberta Historical Resources Foundation	6
Human Rights, Citizenship and Multiculturalism Education Fund	1
Gaming	
Community Lottery Board grants	53
Community Facility Enhancement Program	25
Racing industry renewal	18
Calgary Exhibition and Stampede	7
Edmonton Northlands	7
Major fairs and exhibitions	3
Alberta Gaming Research Institute and Council	2
Other initiatives	11
Health and Wellness	
Alberta Alcohol and Drug Abuse Commission	46
Alberta We*ll*net	13
Practitioner services - alternate compensation strategies	12
Health Innovation Fund	5
Aboriginal health strategies	3
Federal nursing stations	3
Alberta wellness initiative	2
Infrastructure	
School facilities	150
Health care facilities	120
Post-secondary facilities	60
Upgrading of seniors' lodges	10
Centennial projects	5
Innovation and Science	
Alberta SUPERNET	50
Research Investments Program	23
Strategic research initiatives	9
Alberta Agricultural Research Institute	9
Learning	
School support - transportation subsidies	40
Learning Television (ACCESS)	8
Achievement scholarships	3
School support - high speed networking	1
Municipal Affairs	
Municipal sponsorship	12
Transportation	
Canada-Alberta Infrastructure Program	50
Water management infrastructure	20
Finance	
Transfer for debt repayment / contingency reserve	44
Lottery Revenue Allocation[b]	946

[a] Includes $6 million of Lottery Fund interest income.

[b] Included in program expense and capital investment except for $44 million for debt repayment and contingency reserve.

Expense by Function

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Health	5,302	5,491	5,815	7,141	6,739	7,107
Education	4,735	4,966	5,045	6,066	5,665	5,754
Social Services	1,668	1,744	1,794	1,934	2,028	2,085
Agriculture and Economic Development	1,083	980	1,119	1,285	1,209	1,150
Regional Planning and Development	541	516	534	478	452	425
Transportation and Utilities	1,113	1,067	1,782	1,626	748	568
Protection of Persons and Property	503	562	570	648	590	602
Environment and Resource Conservation	541	412	472	465	438	441
Recreation and Culture	271	284	339	349	308	319
Housing	103	94	106	137	103	102
General Government	565	616	612	703	642	610
Debt Servicing Costs	956	981	1,000	750	620	515
Total Expense	17,381	17,713	19,188	21,582	19,542	19,678

Expense by Function

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Health	5,302	5,491	5,815	7,141	6,739	7,107
Education	4,735	4,966	5,045	6,066	5,665	5,754
Social Services	1,668	1,744	1,794	1,934	2,028	2,085
Agriculture and Economic Development	1,083	980	1,119	1,285	1,209	1,150
Regional Planning and Development	541	516	534	478	452	425
Transportation and Utilities	1,113	1,067	1,782	1,626	748	568
Protection of Persons and Property	503	562	570	648	590	602
Environment and Resource Conservation	541	412	472	465	438	441
Recreation and Culture	271	284	339	349	308	319
Housing	103	94	106	137	103	102
General Government	565	616	612	703	642	610
Debt Servicing Costs	956	981	1,000	750	620	515
Total Expense	17,381	17,713	19,188	21,582	19,542	19,678

2001-02 Expense by Function

(millions of dollars)

	Health	Education	Social Services	Agriculture and Economic Development	Regional Planning and Development	Transportation and Utilities	Protection of Persons and Property	Environment and Resource Conservation	Recreation and Culture	Housing	General Government	Debt Servicing Costs	Consolidated Ministry Expense
Legislative Assembly	—	—	—	—	—	—	2	—	—	—	56	—	58
Aboriginal Affairs and Northern Development	—	—	—	2	28	—	—	—	—	—	—	—	30
Agriculture, Food and Rural Development	—	—	—	883	—	—	—	—	—	—	—	60	943
Children's Services	—	—	648	—	—	—	—	—	—	—	—	—	648
Community Development	—	—	383	8	—	—	6	42	164	—	—	—	603
Economic Development	—	—	—	51	—	—	—	—	—	—	—	—	51
Energy	—	—	—	76	—	—	—	99	—	—	—	—	175
Environment	—	—	—	—	—	—	—	124	—	—	—	—	124
Executive Council	—	—	—	—	—	—	—	—	—	—	15	—	15
Finance	—	—	—	2	358	—	2	—	—	—	107	743	1,212
Gaming	207	275	1	96	12	50	1	3	288	10	94	—	1,037
Government Services	—	—	—	—	—	—	51	—	—	—	130	—	181
Health and Wellness	6,271	—	—	—	—	—	—	—	—	—	—	—	6,271
Human Resources and Employment	—	274	723	—	—	—	20	—	—	—	38	—	1,055
Infrastructure	870	964	2	2	—	598	2	2	2	17	321	—	2,780
Innovation and Science	—	21	—	127	—	—	—	—	—	—	98	—	246
International and Intergovernmental Relations	—	—	—	—	—	—	—	—	—	—	6	—	6
Justice	—	—	—	—	—	—	220	—	—	—	—	—	220
Learning	—	4,807	—	—	—	—	—	—	—	—	—	7	4,814
Municipal Affairs	—	—	—	3	92	—	76	—	—	—	32	—	203
Revenue	—	19	—	70	—	—	15	—	—	—	57	—	161
Seniors	—	—	178	—	—	—	—	—	—	129	—	50	357
Solicitor General	—	—	—	—	—	—	253	—	—	—	—	—	253
Sustainable Resource Development	—	—	—	—	—	—	—	216	—	—	—	—	216
Transportation	—	—	—	33	—	1,027	—	—	—	—	—	—	1,060
Inter-Ministry Consolidation Adjustments	(207)	(294)	(1)	(68)	(12)	(49)	—	(21)	(105)	(19)	(251)	(110)	(1,137)
Total Expense	7,141	6,066	1,934	1,285	478	1,626	648	465	349	137	703	750	21,582

2001-02 Expense by Object

(millions of dollars)

	Salaries Wages, and Employee Benefits	Supplies and Services	Grants to Others	Internal Government Transfers*	Financial Transactions and Other	Amortization of Capital Assets	Intra Ministry Consolidation Adjustments	Consolidated Ministry Expense	Inter Ministry Consolidation Adjustments	Total Consolidated Expense
Legislative Assembly	26	22	—	—	10	—	—	58	—	58
Aboriginal Affairs and Northern Development	4	4	22	—	—	—	—	30	—	30
Agriculture, Food and Rural Development	101	47	369	143	420	6	(143)	943	—	943
Children's Services	128	405	111	517	—	1	(514)	648	—	648
Community Development	108	210	274	789	1	10	(789)	603	(4)	599
Economic Development	15	35	1	—	—	—	—	51	—	51
Energy	97	58	13	27	—	7	(27)	175	—	175
Environment	47	40	21	—	—	16	—	124	(2)	122
Executive Council	12	3	—	—	—	—	—	15	—	15
Finance	23	17	80	—	1,104	1	(13)	1,212	(110)	1,102
Gaming	2	2	213	1,016	—	—	(196)	1,037	(820)	217
Government Services	93	82	—	—	1	5	—	181	(130)	51
Health and Wellness	66	139	6,035	46	29	2	(46)	6,271	—	6,271
Human Resources and Employment	109	156	821	—	(34)	3	—	1,055	—	1,055
Infrastructure	55	252	2,422	—	—	51	—	2,780	(12)	2,768
Innovation and Science	58	113	67	90	—	8	(90)	246	(14)	232
International and Intergovernmental Relations	4	2	—	—	—	—	—	6	—	6
Justice	127	36	28	—	28	1	—	220	—	220
Learning	58	78	4,669	—	7	2	—	4,814	—	4,814
Municipal Affairs	21	17	163	—	—	2	—	203	—	203
Revenue	27	24	70	599	21	2	(582)	161	(25)	136
Seniors	12	6	263	72	52	24	(72)	357	(8)	349
Solicitor General	100	138	3	—	12	—	—	253	—	253
Sustainable Resource Development	98	93	59	—	1	6	(41)	216	(12)	204
Transportation	47	372	493	—	—	148	—	1,060	—	1,060
Total Expense	1,438	2,351	16,197	3,299	1,652	295	(2,513)	22,719	(1,137)	21,582

* Excluding payments for services.

Full-Time Equivalent Employment

	2000-01 Budget[a]	ACSC Transfer[b]	Comparable 2000-01 Budget	Increases	2001-02 Estimate
Legislative Assembly	432	—	432	7	439
Aboriginal Affairs and Northern Development	57	—	57	3	60
Agriculture, Food and Rural Development	1,787	(55)	1,732	64	1,796
Children's Services	2,272	(162)	2,110	478	2,588
Community Development	2,333	(94)	2,239	37	2,276
Economic Development	205	(15)	190	—	190
Energy	1,286	(44)	1,242	64	1,306
Environment	845	(78)	767	—	767
Executive Council	191	(13)	178	2	180
Finance	391	(32)	359	4	363
Gaming	29	—	29	3	32
Government Services	410	1,099	1,509	34	1,543
Health and Wellness	1,105	(47)	1,058	130	1,188
Human Resources and Employment	2,003	(118)	1,885	14	1,899
Infrastructure	948	(26)	922	29	951
Innovation and Science	902	(133)	769	8	777
International and Intergovernmental Relations	58	(4)	54	—	54
Justice	2,147	(40)	2,107	3	2,110
Learning	1,003	(73)	930	56	986
Municipal Affairs	318	(15)	303	14	317
Revenue	350	(5)	345	15	360
Seniors	221	(4)	217	11	228
Solicitor General	2,046	(34)	2,012	34	2,046
Sustainable Resource Development	1,969	(37)	1,932	13	1,945
Transportation	720	(70)	650	174	824
Total Full-Time Equivalent Employment	24,028	—	24,028	1,197	25,225

[a] The 2000-01 Budget has been restated by 186 FTEs. Children's Services FTEs have been increased by 106 to correct an understatement in Budget 2000. Innovation and Science FTEs have been increased by 80 from the acquisition of C-FER inc. and the Petroleum Research Institute by the Alberta Science and Research Authority late in 1999-2000.

[b] 1,099 FTEs have been transferred from ministries to Government Services for the Alberta Corporate Service Centre (ACSC). The transfer includes 11 FTEs which were budgeted for ACSC in Executive Council in 2000-01.

Full-Time Equivalent Employment

	2000-01 Budget[a]	ACSC Transfer[b]	Comparable 2000-01 Budget	Increases	2001-02 Estimate
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Economic Development	205	(15)	190	—	190
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Environment	845	(78)	767	—	767
Executive Council	191	(13)	178	2	180
Finance	391	(32)	359	4	363
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[b] 1,099 FTEs have been transferred from ministries to Government Services for the Alberta Corporate Service Centre (ACSC). The transfer includes 11 FTEs which were budgeted for ACSC in Executive Council in 2000-01.

Details of Net Financial Position

(millions of dollars)

	At March 31				
	2000 Actual	2001 Forecast	2002 Estimate	2003 Target	2004 Target
Financial Assets					
Total Heritage Fund equity	12,256	12,256	12,256	12,256	12,256
Less: Internal holdings of debt	(578)	(313)	(134)	(100)	(95)
Heritage Fund external investments	11,678	11,943	12,122	12,156	12,161
Self-supporting lending organizations:					
Alberta Municipal Financing Corporation	4,052	3,596	3,491	3,416	3,334
Agriculture Financial Services Corporation	1,325	1,242	1,378	1,490	1,585
Alberta Opportunity Company	118	124	122	127	127
Funds available for debt repayment	470	2,125	2,120	1,374	—
Endowment Funds:					
Alberta Heritage Foundation for Medical Research	1,023	1,048	1,030	998	1,018
Alberta Heritage Scholarship	315	326	335	344	354
Alberta Heritage Science and Engineering Research	—	522	529	530	538
Equity in commercial enterprises	517	601	758	933	1,127
Farm Credit Stability deposits	185	125	86	62	43
Other cash, marketable securities and accounts receivable	2,304	3,342	1,922	1,419	1,371
Total Financial Assets	21,987	24,994	23,893	22,849	21,658
Liabilities					
General Revenue Fund	11,749	10,025	8,644	7,133	5,784
School construction loans	892	793	698	608	525
Alberta Social Housing Corporation	690	615	521	493	471
Less: General Revenue Fund holdings of provincial corporation debt	(841)	(1,091)	(1,283)	(1,336)	(1,380)
Accumulated Debt[a]	12,490	10,342	8,580	6,898	5,400
Pension obligations	4,728	4,728	4,758	4,802	4,863
Self-supporting lending organizations:					
Alberta Municipal Financing Corporation	4,052	3,596	3,491	3,416	3,334
Agriculture Financial Services Corporation	933	831	994	1,099	1,158
Alberta Opportunity Company	88	92	101	103	105
Less: Debt internally held by consolidated entities	(822)	(857)	(957)	(1,025)	(1,085)
Accounts and interest payable	2,492	2,241	2,136	2,110	1,933
Guarantees, indemnities and remissions	249	251	253	255	257
Other accrued liabilities	151	151	153	154	155
Less: Other debt internally held by consolidated entities	(300)	(356)	(174)	(110)	(105)
Total Liabilities	24,061	21,019	19,335	17,702	16,015
Net Assets (Debt)	(2,074)	3,975	4,558	5,147	5,643
Pension obligations	4,728	4,728	4,758	4,802	4,863
Net Assets Excluding Pension Obligations	2,654	8,703	9,316	9,949	10,506

[a] Subject to the *Fiscal Responsibility Act.*

Details of Net Financial Position

(millions of dollars)

	At March 31				
	2000 Actual	2001 Forecast	2002 Estimate	2003 Target	2004 Target
Financial Assets					
Total Heritage Fund equity	12,256	12,256	12,256	12,256	12,256
Less: Internal holdings of debt	(578)	(313)	(134)	(100)	(95)
Heritage Fund external investments	11,678	11,943	12,122	12,156	12,161
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General Revenue Fund	11,749	10,025	8,644	7,133	5,784
School construction loans	892	793	698	608	525
Alberta Social Housing Corporation	690	615	521	493	471
Less: General Revenue Fund holdings of provincial corporation debt	(841)	(1,091)	(1,283)	(1,336)	(1,380)
Accumulated Debt[a]	12,490	10,342	8,580	6,898	5,400
Pension obligations	4,728	4,728	4,758	4,802	4,863
Self-supporting lending organizations:					
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Alberta Opportunity Company	88	92	101	103	105
Less: Debt internally held by consolidated entities	(822)	(857)	(957)	(1,025)	(1,085)
Accounts and interest payable	2,492	2,241	2,136	2,110	1,933
Guarantees, indemnities and remissions	249	251	253	255	257
Other accrued liabilities	151	151	153	154	155
Less: Other debt internally held by consolidated entities	(300)	(356)	(174)	(110)	(105)
Total Liabilities	24,061	21,019	19,335	17,702	16,015
Net Assets (Debt)	(2,074)	3,975	4,558	5,147	5,643
Pension obligations	4,728	4,728	4,758	4,802	4,863
Net Assets Excluding Pension Obligations	2,654	8,703	9,316	9,949	10,506

[a] Subject to the *Fiscal Responsibility Act.*

Accumulated Debt Retirement Schedule

	Fiscal Responsibility Act		Forecast	
	Required Debt Retirement (per cent)	Required Five-year Milestones ($ millions)	Debt* ($millions)	Debt Retirement (per cent)
1999-2000		**12,490**		
2000-01			8,217	
2001-02			6,460	
2002-03			5,524	
2003-04			5,400	
2004-05	**13%**	**10,867**	**4,975**	**60%**
2005-06				
2006-07				
2007-08				
2008-09				
2009-10	**30%**	**8,743**	**2,851**	**77%**
2010-11				
2011-12				
2012-13				
2013-14				
2014-15	**50%**	**6,245**	**353**	**97%**
2015-16			**0**	**100%**
2016-17				
2017-18				
2018-19				
2019-20	**75%**	**3,123**		
2020-21				
2021-22				
2022-23				
2023-24				
2024-25	**100%**	**0**		

* Net of cash set aside for future debt payment. Accumulated debt payment from 2004-05 to 2015-16 assumes reductions equal to minimum scheduled reductions for those years.

Details of Cash Available for Debt Repayment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Allocation for debt repayment/increase in assets	2,717	535[a]	5,549[a]	613	633	557
Cash adjustments:						
Natural gas royalties	288	78	(2,346)	1,815	552	(7)
Other cash adjustments	(162)	34	781	(508)	(72)	(164)
Total Cash Adjustment	126	112	(1,565)	1,307	480	(171)
Less: Retained income of						
Alberta Treasury Branches	229	114	161	152	168	187
Agriculture Financial Services Corporation	98	23	(31)	13	31	37
Foundation for Medical Research Endowment Fund	136	29	25	(18)	(32)	20
Scholarship Fund	39	4	11	9	9	10
Heritage Savings Trust Fund	230	—	—	—	—	—
Heritage Science and Engineering Research Endowment Fund	—	—	22	7	1	8
Environmental Protection and Enhancement Fund	100	60	43	—	—	—
Other	(75)	(115)	(50)	—	—	—
Total Retained Income	757	115	181	163	177	262
Current year cash available	2,086	532	3,803	1,757	936	124
Cash available from previous year	—	—	470	2,125	2,120	1,374
Cash Available for Accumulated Debt Repayment	2,086	532	4,273	3,882	3,056	1,498
Allocation of cash available						
Current year debt maturities and redemptions	1,616	532	2,148	1,762	1,682	1,498
Future year debt maturities and redemptions	470	—	2,125	2,120	1,374	—
Cash Available for Accumulated Debt Repayment	2,086	532	4,273	3,882	3,056	1,498

[a] Excludes the $500 million allocation for Alberta Heritage Science and Engineering Research Endowment Fund.

Net Financing Requirements

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
Requirements						
Term debt maturities and redemptions	2,289	2,760	2,427	1,585	1,575	1,645
School construction loans	102	99	99	95	90	83
Financing of provincial corporations' borrowing	196	248	338	281	134	159
Other	467	5	37	45	12	(43)
	3,054	3,112	2,901	2,006	1,811	1,844
Cash applied to accumulated debt repayment	(1,616)	(532)	(2,148)	(1,762)	(1,682)	(1,498)
Net Financing Requirements	1,438	2,580	753	244	129	346

Details of Cash Available for Debt Repayment

(millions of dollars)

	1999-2000 Actual	2000-01 Budget	2000-01 Forecast	2001-02 Estimate	2002-03 Target	2003-04 Target
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[a] Excludes the $500 million allocation for Alberta Heritage Science and Engineering Research Endowment Fund.

Net Financing Requirements

(millions of dollars)

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Net Financing Requirements	1,438	2,580	753	244	129	346

2001-04 Term Debt Maturities[a]

	Par Amount in Cdn. Dollars ($ millions)	Par Amount in U.S. Dollars ($ millions)	Coupon Rate (%)	Maturity Date
2001-02 Term Debt Maturities				
Term Debt Issues				
1991 Canadian Debenture	500		10.25	August 2001
1994 Canadian Medium Term Notes	10		8.40	October 2001
1996 Canadian Debenture	350		6.125	October 2001
1997 Euro Australian Dollar Notes[b,c]	112	76	5.25	March 2002
1999 Euro U.S. Dollar Notes[c]	443	300	5.25	March 2002
Callable notes[d]				
1997-99 Canadian Medium Term Notes	102		varied	May 2001 to March 2002
1997-98 Canadian Medium Term Notes[b,c]	68	46	varied	August to November 2001
2001-02 Total Term Debt Maturities	1,585	422		

	Par Amount in Cdn. Dollars ($ millions)	Par Amount in U.S. Dollars ($ millions)	Coupon Rate (%)	Maturity Date
2002-03 Term Debt Maturities				
Term Debt Issues				
1999 Euro Canadian Dollar Notes	100		5.25	April 2002
1999 Euro Canadian Dollar Note[b,c]	245	169	5.50	July 2002
1999 Euro Canadian Dollar Notes[b,c]	197	137	6.00	November 2002
1998 Euro Canadian Dollar Notes	100		5.00	December 2002
1999 Euro U.S. Dollar Notes[c]	718	500	7.00	February 2003
Callable notes[d]				
1997-99 Canadian Medium Term Notes	215		5.80	April 2002 to March 2003
2002-03 Total Term Debt Maturities	1,575	806		

	Par Amount in Cdn. Dollars ($ millions)	Par Amount in U.S. Dollars ($ millions)	Coupon Rate (%)	Maturity Date
2003-04 Term Debt Maturities				
Term Debt Issues				
1993 Canadian Debenture	500		7.75	May 2003
1996 Alberta Savings Certificates	35		5.25	June 2003
1998 Global U.S. Dollar Notes[c]	706	500	4.875	October 2003
1998 Canadian Debenture	390		5.10	December 2003
1999 Canadian Dollar Notes	14		5.30	March 2004
2003-04 Total Term Debt Maturities	1,645	500		

[a] Excludes $51 million in 2001-02, $77 million in 2002-03 and $111 million in 2003-04 of principal repayment on notes supported by provincial corporations.

[b] Swapped into a U.S. dollar obligation.

[c] U.S. dollar debt converted to Canadian dollars at forecast foreign exchange rates ranging from 68 cents U.S. in March 2002 to 71 cents U.S. in October 2003.

[d] Assumes callable notes with call dates in 2001-02 and 2002-03 will be called in those years.

Pension Obligations

(millions of dollars)

	At March 31				
	2000 Actual	2001 Forecast	2002 Estimate	2003 Target	2004 Target
Obligations for Employees of Organizations Outside the Government Reporting Entity					
Teachers' Pension Plan	3,805	3,833	3,885	3,944	4,012
Universities Academic Pension Plan	121	126	131	136	141
Special Forces Pension Plan	55	51	47	43	39
	3,981	4,010	4,063	4,123	4,192
Obligations for Current and Former Government Employees and MLAs					
Public Service Management Pension Plan[a]	654	645	637	629	621
Members of the Legislative Assembly Pension Plan[a]	49	49	49	50	50
Management Employees Pension Plan	39	24	9	—	—
Public Service Pension Plan	5	—	—	—	—
	747	718	695	679	671
Total Pension Obligations	4,728	4,728	4,758	4,802	4,863

[a] Membership closed and pensionable service no longer being accrued.

Fee Changes

		2000-01	2001-02
Community Development			
Provincial Museum of Alberta	- Adult	6.50	8.00
	- Senior	5.50	6.50
	- Youth	3.00	4.00
	- Family	15.00	20.00
Royal Tyrrell Museum of Palaeontology	- Adult	7.50	8.50
	- Senior	5.50	6.50
	- Youth	3.00	4.50
	- Family	19.00	20.00
Royal Tyrrell Museum Field Station	- Adult	2.00	2.50
	- Senior	1.50	2.50
	- Youth	1.50	1.50
	- Family	No Family Fee	7.00
Rutherford House	- Adult	2.00	3.00
	- Senior	1.50	2.00
	- Youth	1.50	2.00
	- Family	5.00	8.00
Frank Slide Interpretive Centre	- Adult	4.00	6.50
	- Senior	3.00	5.50
	- Youth	2.00	3.00
	- Family	10.00	15.00
Municipal Affairs			
Relocatable structure labels		$140/label	$30/label

Pension Obligations

(millions of dollars)

	At March 31				
	2000 Actual	2001 Forecast	2002 Estimate	2003 Target	2004 Target
Obligations for Employees of Organizations Outside the Government Reporting Entity					
Teachers' Pension Plan	3,805	3,833	3,885	3,944	4,012
Universities Academic Pension Plan	121	126	131	136	141
Special Forces Pension Plan	55	51	47	43	39
	3,981	4,010	4,063	4,123	4,192
Obligations for Current and Former Government Employees and MLAs					
Public Service Management Pension Plan[a]	654	645	637	629	621
Members of the Legislative Assembly Pension Plan[a]	49	49	49	50	50
Management Employees Pension Plan	39	24	9	—	—
Public Service Pension Plan	5	—	—	—	—
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Royal Tyrrell Museum of Palaeontology	- Adult	7.50	8.50
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	- Youth	3.00	4.50
	- Family	19.00	20.00
Royal Tyrrell Museum Field Station	- Adult	2.00	2.50
	- Senior	1.50	2.50
	- Youth	1.50	1.50
	- Family	No Family Fee	7.00
Rutherford House	- Adult	2.00	3.00
	- Senior	1.50	2.00
	- Youth	1.50	2.00
	- Family	5.00	8.00
Frank Slide Interpretive Centre	- Adult	4.00	6.50
	- Senior	3.00	5.50
	- Youth	2.00	3.00
	- Family	10.00	15.00
Municipal Affairs			
Relocatable structure labels		$140/label	$30/label

Loans and Advances[a]

(millions of dollars)

	At March 31	
	2000 Actual	2001 Forecast
Loans and Advances		
Agriculture Financial Services Act	713	810
Alberta Heritage Savings Trust Fund Act		
Ridley Grain Ltd.	149	146
Vencap Acquisition Corporation	5	5
Alberta Opportunity Fund Act	128	134
Farm Credit Stability Act	185	126
Alberta Housing Act	44	30
Financial Administration Act		
Accountable advances	15	16
Pratt & Whitney Canada Inc.	4	3
Board of Governors, University of Alberta	3	3
University of Lethbridge Students' Union	1	1
Implemented guarantees and indemnities	1	1
University of Calgary Students' Union	1	—
	1,249	1,275
Allowance for doubtful loans, advances, implemented guarantees and indemnities		
Ridley Grain Ltd.	(55)	(55)
Other	(39)	(44)
	(94)	(99)
Total Loans and Advances	1,155	1,176

[a] When a loan is considered to be impaired, accrued interest is no longer included in income. This does not alter the borrower's obligation to pay all accrued interest.

Guarantees

(millions of dollars)

	At March 31	
	2000 Actual	2001 Forecast
Guarantees		
Farm Credit Stability Act	192	132
Alberta Housing Act	121	112
Student Loan Act	57	72
Agriculture Financial Services Act	59	58
Feeder associations	50	50
Alberta Opportunity Fund Act	3	6
Agricultural Societies Act	3	3
Rural utilities loans	3	2
Centre for Engineering Research Inc.	3	2
Securities Act	2	2
University of Calgary	1	1
	494	440
Estimated Liability		
Loan guarantees	(17)	(15)
Remissions for student loans	(12)	(12)
	(29)	(27)
Total Guarantees	465	413

Province of Alberta
Key Energy and Economic Assumptions[a]

Fiscal Year Assumptions	**1998-99 Actual**	**1999-2000 Actual**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
Prices						
Oil price						
WTI *(US$/bbl)*	13.70	23.16	30.20[c]	25.00	21.00	21.00
Alberta wellhead *(Cdn$/bbl)*	17.06	30.30	39.51	32.05	25.30	24.08
Natural gas price						
Alberta wellhead *(Cdn$/mcf)*	1.98	2.66	6.07	5.03	3.75	3.44
Alberta wellhead *(Cdn$/GJ)*	1.88	2.52	5.76	4.77	3.56	3.26
Exchange rate *(US¢/Cdn$)*	66.5	68.0	66.5[c]	67.8	69.3	71.3
Production						
Crude oil and equivalent *(000's barrels/day)*	1,524	1,467	1,375	1,446	1,604	1,739
Natural gas *(billions of cubic feet)*	5,289	5,370	5,352	5,425	5,506	5,589
Interest rates[b]						
3-month Canada treasury bills *(per cent)*	4.81	4.76	5.42[c]	4.75	5.00	5.00
10-year Canada bonds *(per cent)*	5.21	5.83	5.70[c]	5.50	5.50	5.50

Calendar Year Assumptions	**1999 Actual**	**2000**	**2001**	**2002**	**2003**	**2004**
Gross Domestic Product						
Nominal *(millions of dollars)*	115,417	140,794	157,805	150,309	156,711	163,538
per cent change	9.0	22	12.1	-4.8	4.3	4.4
Real *(millions of 1992 dollars)*	103,794	110,124	115,434	119,623	123,155	126,886
per cent change	3.6	6.1	4.8	3.6	3.0	3.0
Other Indicators						
Employment *(thousands)*	1,553	1,588[c]	1,627	1,669	1,705	1,741
per cent change	2.5	2.2[c]	2.5	2.5	2.2	2.1
Unemployment rate *(per cent)*	5.7	5.0[c]	4.7	4.2	4.0	3.5
Housing starts *(number of units)*	25,447	26,266[c]	26,700	25,300	24,500	23,900
Alberta Consumer Price Index						
per cent change	2.4	3.5[c]	2.0	1.8	2.1	2.2
Population *(thousands)*	2,959	2,997[c]	3,041	3,084	3,126	3,166
per cent change	1.8	1.3[c]	1.5	1.4	1.4	1.3

[a] As required by the *Government Accountability Act.*

[b] For debt servicing calculations, appropriate Alberta spreads are applied to Government of Canada yields.

[c] Actual.

Sensitivities to Fiscal Year Assumptions, 2001-02[a]

(millions of dollars)

	Change	**Revenue**	**Spending**	**Net Change**
Oil Price *(WTI US$/bbl)*	-$1.00	-153	--	-153
Natural Gas Price *(Cdn$/mcf)*	-10¢	-142	--	-142
Exchange Rate *(US¢/Cdn$)*	+1¢	-120	-30	-90
Interest Rates	-1%	-39	-29	-10
Real Gross Domestic Product	-1%	-40	--	-40

[a] Sensitivities are based on current assumptions of prices and rates and show the impact for a full 12 month period. Sensitivities can vary significantly at different price and rate levels. The interest rate sensitivity is also affected by the timing of changes during the fiscal year.

Major Provincial Tax Rates, 2001

		AB	BC	SK	MB	ON	QC	NB	NS	PE	NF
Personal Income Tax											
Statutory Rate Range											
- Lowest Rate	(%)	10.00	8.40	11.50	10.90	6.20	17.00[a]	9.68	9.77	9.80	10.57
- Highest Rate	(%)	10.00	19.70	16.00	17.50	11.16	24.50[a]	17.84	16.67	16.70	18.02
Surtax	(%)	—	—	—	—	20.0/36.0	—	—	10.0	10.0	9.0
Basic Exemption	($)	12,900	8,000	8,000	7,361	7,426	5,900	7,412	7,231	7,412	7,410
Spousal Exemption	($)	12,900	6,850	8,000	6,251	6,306	5,900	6,294	6,140	6,294	6,055
Corporate Income Tax											
Small Business Rate	(%)	5.0[b]	4.5	8.0[c]	6.0	6.5	9.04[d]	4.0	5.0	7.5	5.0
M&P Rate	(%)	13.5[b]	16.5	10/17[e]	17.0	12.0	9.04[d]	16.0	16.0	7.5	5.0
General Rate	(%)	13.5[b]	16.5	17.0	17.0	14.0	9.04[d]	16.0	16.0	16.0	14.0
Capital Tax											
General	(max.%)	—	0.30	0.60	0.50	0.30	0.64	0.30	0.25	—	—
Financial Institutions	(max.%)	—[b]	3.00	3.25	3.00	0.90	1.55[f]	3.00	3.00	3.00	4.00
Retail Sales Tax	(%)	—	7.0	6.0	7.0	8.0	7.5[g]	8.0[g]	8.0[g]	10.0	8.0[g]
Gasoline Tax	(¢/litre)	9.0	11.0[h]	15.0	11.5	14.7	15.2[i,h]	10.7[i]	13.5[i]	13.0	16.5[i]
Tobacco Tax	($/carton)	14.00	22.00	17.20[i]	17.20[i]	7.30[i]	10.60[i]	12.00[i]	13.54[i]	15.90	22.00[i]
Payroll Tax	(max.%)	—	—	—	2.15	1.95	4.26[j]	—	—	—	2.00

Rates for other provinces known as at April 4, 2001.

[a] Quebec residents receive an abatement of 16.5% of federal tax in lieu of cash transfers to Quebec for several social programs, reducing the lowest and highest effective rates to 14.36% and 19.71%, respectively.

[b] These rates are effective April 1, 2001.

[c] This rate is reduced to 6% effective July 1, 2001.

[d] The Quebec corporate tax rate includes the basic rate of 8.9% plus the Youth Fund surtax of 1.6%.

[e] The general corporate tax rate is reduced by up to 7 points based on the share of a corporation's national manufacturing and processing income allocated to Saskatchewan.

[f] The Quebec financial institutions capital tax includes the base rate of 1.28%, the Youth Fund surtax of 1.6%, and a compensatory tax of 0.25%.

[g] These provinces' sales taxes are harmonized with the federal GST and apply to a broader base than other provincial sales taxes.

[h] An additional 4 cents/litre is imposed in the greater Vancouver area, 2.5 cents/litre in Victoria and 1.5 cents/litre in Montreal.

[i] These provinces apply their retail sales taxes on top of this tax.

[j] There is an additional 2% compensatory tax on wages of financial institutions that is not included in this rate.

Province of Alberta

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(millions of dollars)

	Change	Revenue	Spending	Net Change
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Interest Rates	-1%	-39	-29	-10
Real Gross Domestic Product	-1%	-40	--	-40

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Statutory Rate Range											
- Lowest Rate	(%)	10.00	8.40	11.50	10.90	6.20	17.00[a]	9.68	9.77	9.80	10.57
- Highest Rate	(%)	10.00	19.70	16.00	17.50	11.16	24.50[a]	17.84	16.67	16.70	18.02
Surtax	(%)	—	—	—	—	20.0/36.0	—	—	10.0	10.0	9.0
Basic Exemption	($)	12,900	8,000	8,000	7,361	7,426	5,900	7,412	7,231	7,412	7,410
Spousal Exemption	($)	12,900	6,850	8,000	6,251	6,306	5,900	6,294	6,140	6,294	6,055
Corporate Income Tax											
Small Business Rate	(%)	5.0[b]	4.5	8.0[c]	6.0	6.5	9.04[d]	4.0	5.0	7.5	5.0
M&P Rate	(%)	13.5[b]	16.5	10/17[e]	17.0	12.0	9.04[d]	16.0	16.0	7.5	5.0
General Rate	(%)	13.5[b]	16.5	17.0	17.0	14.0	9.04[d]	16.0	16.0	16.0	14.0
Capital Tax											
General	(max.%)	—	0.30	0.60	0.50	0.30	0.64	0.30	0.25	—	—
Financial Institutions	(max.%)	—[b]	3.00	3.25	3.00	0.90	1.55[f]	3.00	3.00	3.00	4.00
Retail Sales Tax	(%)	—	7.0	6.0	7.0	8.0	7.5[g]	8.0[g]	8.0[g]	10.0	8.0[g]
Gasoline Tax	(¢/litre)	9.0	11.0[h]	15.0	11.5	14.7	15.2[i,h]	10.7[i]	13.5[i]	13.0	16.5[i]
Tobacco Tax	($/carton)	14.00	22.00	17.20[i]	17.20[i]	7.30[i]	10.60[i]	12.00[i]	13.54[i]	15.90	22.00[i]
Payroll Tax	(max.%)	—	—	—	2.15	1.95	4.26[j]	—	—	—	2.00

Rates for other provinces known as at April 4, 2001.

[a] Quebec residents receive an abatement of 16.5% of federal tax in lieu of cash transfers to Quebec for several social programs, reducing the lowest and highest effective rates to 14.36% and 19.71%, respectively.
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[c] This rate is reduced to 6% effective July 1, 2001.
[d] The Quebec corporate tax rate includes the basic rate of 8.9% plus the Youth Fund surtax of 1.6%.
[e] The general corporate tax rate is reduced by up to 7 points based on the share of a corporation's national manufacturing and processing income allocated to Saskatchewan.
[f] The Quebec financial institutions capital tax includes the base rate of 1.28%, the Youth Fund surtax of 1.6%, and a compensatory tax of 0.25%.
[g] These provinces' sales taxes are harmonized with the federal GST and apply to a broader base than other provincial sales taxes.
[h] An additional 4 cents/litre is imposed in the greater Vancouver area, 2.5 cents/litre in Victoria and 1.5 cents/litre in Montreal.
[i] These provinces apply their retail sales taxes on top of this tax.
[j] There is an additional 2% compensatory tax on wages of financial institutions that is not included in this rate.

Historical Consolidated Fiscal Summary, 1984-85 to 2003-04[a]

(millions of dollars)

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
		1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 Forecast	2001-02 Budget	2002-03 Target	2003-04 Target
	Revenue																				
1	Personal income tax	1,457	1,521	1,768	2,236	2,039	2,536	2,796	3,057	2,794	2,877	3,063	3,177	3,445	3,877	4,601	5,100	3,967	4,077	4,658	4,924
2	Corporate income tax	828	780	396	595	697	700	803	731	637	854	1,073	1,332	1,407	1,848	1,659	1,255	1,978	1,974	1,599	1,471
3	School property tax	637	660	686	729	769	824	915	1,027	1,115	1,168	1,196	1,205	1,169	1,212	1,118	1,128	1,132	1,048	1,048	1,048
4	Other tax revenue	334	341	262	553	679	683	878	1,029	1,055	1,053	1,126	1,112	1,157	1,219	1,178	1,241	1,400	1,359	1,337	1,304
5	Natural resource revenue	5,229	4,932	1,892	2,626	2,085	2,240	2,688	2,022	2,183	2,817	3,378	2,786	4,034	3,778	2,368	4,650	10,479	7,536	5,111	4,584
6	Investment income	1,606	1,706	1,483	1,338	1,301	1,346	1,589	1,547	1,059	1,269	1,004	1,182	1,094	1,237	1,146	1,468	1,032	898	1,098	1,207
7	Alberta Municipal Financing Corporation	407	455	482	509	533	545	536	608	652	568	563	542	522	510	464	438	407	358	331	305
8	Other own-source revenue	1,099	1,111	959	1,407	1,662	2,022	1,615	1,566	2,319	2,710	2,832	2,506	2,540	2,951	3,013	3,252	3,247	3,345	3,467	3,547
9	Total own-source revenue	11,597	11,506	7,928	9,993	9,765	10,896	11,820	11,587	11,814	13,316	14,235	13,842	15,368	16,632	15,547	18,532	23,642	20,595	18,649	18,390
10	Federal transfers	1,686	1,788	1,689	1,912	2,135	1,943	2,365	2,150	2,457	2,090	1,929	1,748	1,351	1,183	1,335	1,640	1,751	2,078	2,026	2,078
11	Total Revenue	13,283	13,294	9,617	11,905	11,900	12,839	14,185	13,737	14,271	15,406	16,164	15,590	16,719	17,815	16,882	20,172	25,393	22,673	20,675	20,468
	Expense by Function[b]																				
12	Health	2,731	2,958	3,191	3,056	3,338	3,602	3,864	4,103	4,325	4,169	3,905	3,747	3,978	4,369	4,624	5,302	5,815	7,141	6,739	7,107
13	Basic and advanced education	2,783	2,961	3,114	3,118	3,227	3,379	3,532	3,676	3,904	4,036	3,756	3,713	3,738	4,081	4,241	4,735	5,045	6,066	5,665	5,754
14	Social services	1,051	1,156	1,270	1,329	1,434	1,502	1,567	1,746	1,889	1,721	1,495	1,456	1,511	1,564	1,560	1,668	1,794	1,934	2,028	2,085
15	Other program expense	5,245	6,798	5,778	5,195	5,111	5,357	5,772	5,527	6,058	5,197	4,324	3,840	3,541	3,820	3,984	4,720	5,534	5,691	4,490	4,217
16	Total program expense	11,810	13,873	13,353	12,698	13,110	13,840	14,735	15,052	16,176	15,123	13,480	12,756	12,768	13,834	14,409	16,425	18,188	20,832	18,922	19,163
17	Debt servicing costs	228	182	297	572	797	1,115	1,282	1,314	1,419	1,654	1,746	1,683	1,462	1,322	1,379	956	1,000	750	620	515
18	Total Expense	12,038	14,055	13,650	13,270	13,907	14,955	16,017	16,366	17,595	16,777	15,226	14,439	14,230	15,156	15,788	17,381	19,188	21,582	19,542	19,678
	Net Change in Capital Assets[c]																				
19	Capital investment	—	—	—	—	—	—	—	—	363	305	265	261	196	252	296	304	430	588	626	396
20	Capital amortization	—	—	—	—	—	—	—	—	(272)	(292)	(285)	(242)	(234)	(232)	(228)	(230)	(274)	(314)	(337)	(348)
21	Net Increase (Decrease) in Capital Assets	—	—	—	—	—	—	—	—	91	13	(20)	19	(38)	20	68	74	156	274	289	48
22	Alberta Heritage Science and Engineering Research Endowment Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	500	—	—	—
23	**Surplus (Deficit)/Economic Cushion**	1,245	(761)	(4,033)	(1,365)	(2,007)	(2,116)	(1,832)	(2,629)	(3,415)	(1,384)	958	1,132	2,527	2,639	1,026	2,717	5,549	817	844	742
	Financial Assets (Debt)																				
24	Net assets (debt)[d,e]	12,578	11,817	7,784	6,419	4,412	2,296	464	(2,165)	(7,054)	(8,313)	(7,355)	(6,255)	(3,728)	(1,089)	(63)	2,654	8,703	9,316	9,949	10,506
25	Pension obligations	(5,359)	(5,500)	(6,625)	(7,946)	(8,004)	(8,243)	(6,156)	(5,774)	(4,770)	(5,066)	(5,352)	(5,352)	(4,981)	(4,890)	(4,813)	(4,728)	(4,728)	(4,758)	(4,802)	(4,863)
26	Total Net Assets (Net Debt)	7,219	6,317	1,159	(1,527)	(3,592)	(5,947)	(5,692)	(7,939)	(11,824)	(13,379)	(12,707)	(11,607)	(8,709)	(5,979)	(4,876)	(2,074)	3,975	4,558	5,147	5,643
27	**Accumulated Debt[f]**	5,787	4,953	10,091	11,105	13,069	15,527	16,647	17,406	20,305	22,701	21,451	20,531	17,733	14,976	14,106	12,020	8,217	6,460	5,524	5,400

[a] Numbers have been restated on a 2001-02 basis except as noted.

[b] Beginning in 1996-97, valuation adjustments have been allocated by function. In prior years, all valuation adjustments were included in other program expense.

[c] Prior to 1992-93 capital investment is included in total expense.

[d] Excludes pension obligations. Net debt was increased by $1,474 million in 1992-93 primarily for a provision for school construction debt; reduced by $125 million in 1993-94 to record personal income tax and established programs financing entitlements on an accrual basis, and increased by $32 million in 1995-96 to report some other revenues on accrual basis.

[e] Assumes debt payment and increase in financial assets of: $613 million in 2001-02, $633 million in 2002-03, and $557 million in 2003-04.

[f] Includes cash set aside for future debt repayments.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Economic Outlook

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Economic Outlook

A strong rebound in energy sector investment helped the economy grow by an impressive 6.1% in 2000, the fastest growth among provinces. Continued strong economic growth of 4.8% is expected in 2001, led by robust consumer spending and rising exports.

Although energy prices are expected to decline to more sustainable levels, Alberta's economy should continue expanding at a healthy 3.2% per year, on average, over the medium term. Personal and corporate tax cuts will keep consumer and business confidence high, while exports are expected to rise as major manufacturing and oil sands investment projects begin production.

2000 IN REVIEW

Rebound in energy sector leads growth

- World oil prices increased from an average of U.S.$19.30 per barrel in 1999 to an average of U.S.$30.29 per barrel in 2000.
- High demand and tight U.S. natural gas supplies boosted natural gas prices to record levels. Between January and December 2000, the Alberta reference price rose well over 200% to $8.73 per thousand cubic feet (mcf). The Alberta reference price averaged $4.50 per mcf in 2000, up from $2.48 per mcf in 1999.
- As a result, investment in the energy sector is estimated to have risen by $4.9 billion, or 47%, to $15.4 billion last year. The average number of rigs drilling in 2000 increased to 295, up 41% from 209 in 1999, while the total number of oil and gas wells drilled increased by 3,987, or 61%, to 10,512 in 2000.
- The rebound in energy investment was a key factor driving Alberta's real GDP growth, estimated at 6.1% in 2000. The sharp rise in energy prices also raised nominal GDP an estimated 22%.

Non-energy sector also healthy

- Despite some regional problems, net farm income was up 12.6% in 2000. A 4.3% decline in crop cash receipts was offset by a 11.5% increase in livestock receipts as the cattle sector remained healthy and hog prices recovered.
- Building permits increased by 10% in Alberta for 2000.
- The value of manufacturing shipments was up 17.3% in 2000, led by increases in petroleum and coal products (62%), machinery (27%), primary metals (22%), paper and allied products (19%), and fabricated metals (19%).

Good job prospects and tax cuts strengthen household spending

- The unemployment rate averaged 5.0% in 2000, down from 5.7% in 1999. By December 2000, Alberta's unemployment rate was 4.8%, the lowest among the provinces.
- Employment increased by 34,900 jobs or 2.2% in 2000, led by increases in trade (11,200), construction (11,000), accommodation and food services (10,600), professional, scientific and technical services (5,900), transportation and warehousing (5,900) and manufacturing (5,800). Skill shortages may be emerging in some sectors.
- The strength of the Alberta economy attracted a net total of 21,951 interprovincial migrants in 2000, up from 13,985 in 1999.
- In 2000, wage settlements in Alberta averaged 4.3%. Strong growth in labour income, the elimination of the provincial surtax, provincial tax rebates, and federal income tax cuts contributed to a 7.1% rise in disposable income.
- These income gains helped increase consumer purchasing power despite the rise in inflation to 3.5%. As a result, retail sales in Alberta rose 8.9% in 2000 and total housing starts rose 3.2%.

GLOBAL ECONOMIC OUTLOOK

United States and the global economy are slowing down

- Growth slowed sharply in the United States in the second half of 2000, as the economy responded to the rise in interest rates the year before. The extent and suddenness of the slowdown caught many analysts by surprise.
- The U.S. Federal Reserve has reacted strongly to the continued weakness in the U.S. economy, cutting interest rates by 1 percentage point in January 2001, and by another half percentage point in late March. Although Alberta Finance expects the Federal Reserve to successfully avoid an outright recession, U.S. growth is expected to slow to around 2% this year, down from 5% in 2000. Economic growth is also expected to moderate in the rest of the world.
- The unexpectedly sharp slowdown in the United States has led the Bank of Canada to cut Canadian interest rates by three-quarters of a percentage point since January. Lower interest rates and major federal and provincial tax cuts are expected to keep consumer spending reasonably healthy this year. However, economic growth in Canada is expected to slow from 4.7% in 2000 to around 2.9% in 2001, as exports to the United States slow.

Commodity prices ease

- With slower global demand growth, world oil prices are expected to head down from US$30.20 per barrel in the 2000-01 fiscal year to US$25 in 2001-02, and US$21 thereafter.

- With oil prices declining and increased natural-gas-directed drilling in Canada and the United States, natural gas prices are also expected to fall back from their recent record peaks to average $6.07 per mcf in 2000-01, $5.03 in 2001-02, $3.75 in 2002-03, and $3.44 in 2003-04.
- In contrast, agricultural prices are expected to firm somewhat. Grain prices appear to have bottomed out, hog prices have recovered from recent lows and cattle prices are expected to remain healthy.
- Consumer price inflation in Alberta is expected to fall to 2% this year from 3.5% last year. Provincial energy rebates reduced the CPI index for natural gas in Alberta by close to 40% between December 2000 and February 2001, and moderated the increase in the CPI index for electricity to around 5%. CPI inflation rates are expected to decline as the recent run-up in energy prices is unwound. This will increase consumer purchasing power.

ALBERTA ECONOMIC OUTLOOK

Tax cuts keep economic growth at 4.8% in 2001

- Alberta's new personal income tax system, originally announced in Budget '99, became fully effective on January 1, 2001. Increased personal and spousal exemptions and the introduction of a 10% single rate tax will result in estimated annual savings for Alberta taxpayers of $1.1 billion in 2001, bringing the total tax cut to $1.5 billion, a 23% reduction since 1998.
- The federal government has followed Alberta's lead in indexing the personal tax system to inflation. It has also cut personal tax rates and eliminated its high income surtax.
- Continued strong employment and wage growth and the large provincial and federal tax cuts are expected to increase the amount of money in consumers' pockets and raise living standards. Personal disposable income is expected to increase by about 10% in 2001. As a result, real consumer spending is expected to grow 6.3% in 2001.
- Real exports are expected to rise 5.8% this year, as petrochemical and oil sands expansions come into production.
- Energy sector investment will remain strong due to natural gas directed drilling and major oil sands projects. Non-energy investment activity is expected to decline somewhat this year as construction ends and production begins at several major projects. Overall, real private investment in 2001 is expected to be about the same as last year.
- As a result of tax cuts, increased consumer spending and healthy exports, Alberta's real GDP is expected to grow by 4.8% this year.

Diversification strengthens Alberta's medium-term prospects

- In the medium term, economic growth is expected to average a robust 3.2% per year in Alberta, led by exports and consumer spending. Cuts in corporate income tax rates are expected to help keep investment levels high.
- In September 2000, the provincial government announced that it would implement the Business Tax Review Committee's major recommendations. The general and manufacturing and processing corporate income tax rates will be cut to 8% over a period of 4 years, as affordable, with the first phase of the cut starting on April 1, 2001. The small business rate will be cut from 6% to 3% by April 1, 2003 and the amount of income eligible for the small business deduction will be increased from $200,000 to $400,000.
- About $31 billion in major investment projects are announced or already under construction. These include oil sands and other oil and gas projects (over $16 billion), utilities ($3.5 billion), transportation ($3.1 billion), pipelines ($3 billion) and commercial or real estate developments ($2.8 billion).
- Alberta's good economic prospects and high standard of living are expected to continue attracting people from other provinces. Net interprovincial migration is expected to average about 15,000 people a year.
- Unless in-migration picks up strongly, continued healthy employment gains and somewhat slower labour force growth are expected to reduce Alberta's unemployment rate to 3.5% by 2004.

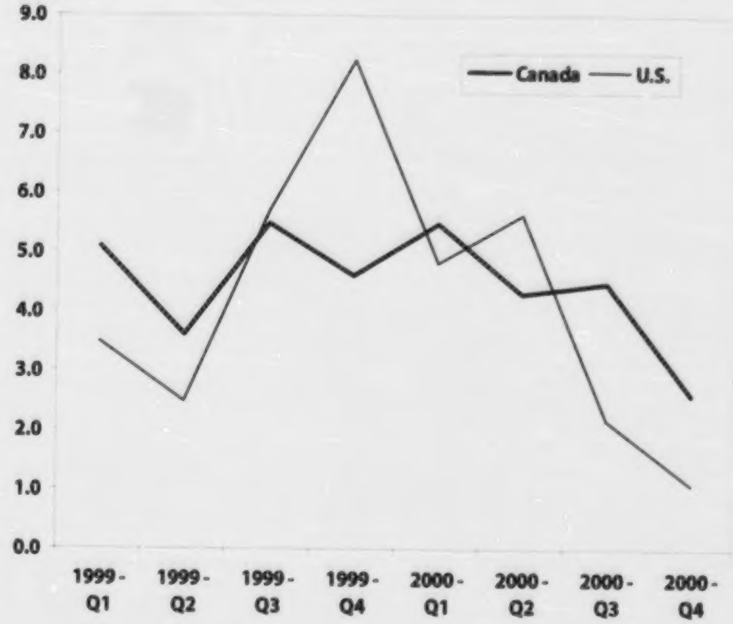
At this point, the major risk to the forecast is a hard landing in the United States

- Some analysts are now calling for U.S. economic growth of around 1% this year, despite the sharp decline in interest rates and the prospect of major U.S. federal tax cuts. Under this pessimistic scenario, economic growth in Canada could fall to around 1.5% even though large federal and provincial tax cuts should help sustain household spending.
- While the probability of such a scenario is relatively low (perhaps 20% to 30%), it would have a modest negative impact on Alberta's economic performance. The impacts would be more severe if slower growth led to a sharp drop in global energy demand and a more rapid reduction in oil and natural gas prices.
- Even without a hard landing in the United States, the current global oil demand-supply situation is balanced on a knife edge. Oil prices could decline more sharply than expected if OPEC fails to adhere to the recently announced production cuts.

- U.S. growth slowed sharply from 5.6% at annual rates in the second quarter of 2000 to 1.0% in the fourth. The extent and suddenness of the slowdown caught analysts by surprise. A number of analysts are concerned that the current contraction in the manufacturing sector will become widespread and lead the entire economy into recession.
- The slowdown in the United States is spilling over into Canada. Canadian growth fell from 4.5% in the third quarter last year to 2.6% in the fourth quarter. Canadian employment has risen by only 6,900 since last December.

SLOW US GROWTH SPILLS OVER INTO CANADA

Quarterly real GDP at annualized rates (per cent change)

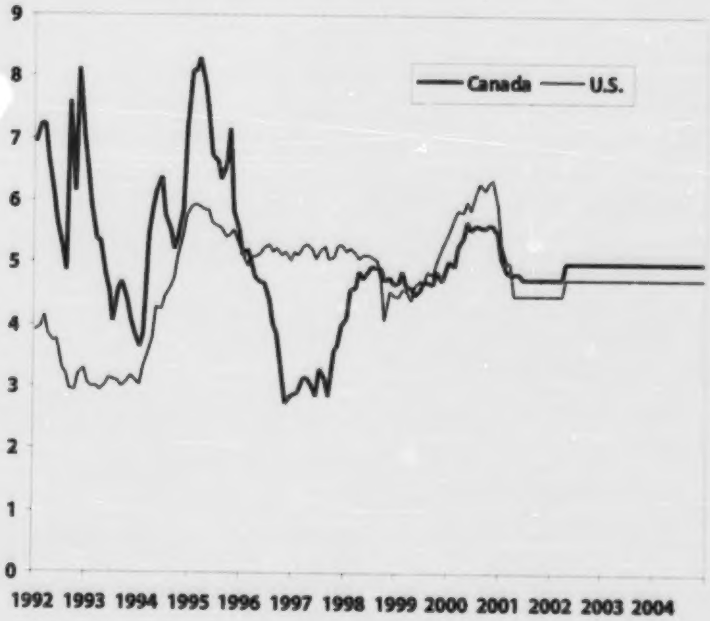


Source: Statistics Canada and Bureau of Economic Analysis

- With inflation remaining relatively subdued, the U.S. Federal Reserve has reacted strongly to the emerging weakness in the U.S. economy. The Fed cut interest rates by 1 percentage point in January, and by an additional half percentage point in March.
- The Bank of Canada has also cut interests rates, although not as aggressively as in the United States. The Bank cut rates by one-quarter percentage point in late January and another half percentage point in early March, citing the unexpectedly sharp slowdown in U.S. activity.
- The Bank is not expected to fully match U.S. interest rate cuts this year, as low unemployment and large federal and provincial tax cuts are expected to maintain healthy growth in consumer spending.

INTEREST RATES EXPECTED TO EASE

3-month Treasury Bills (per cent)

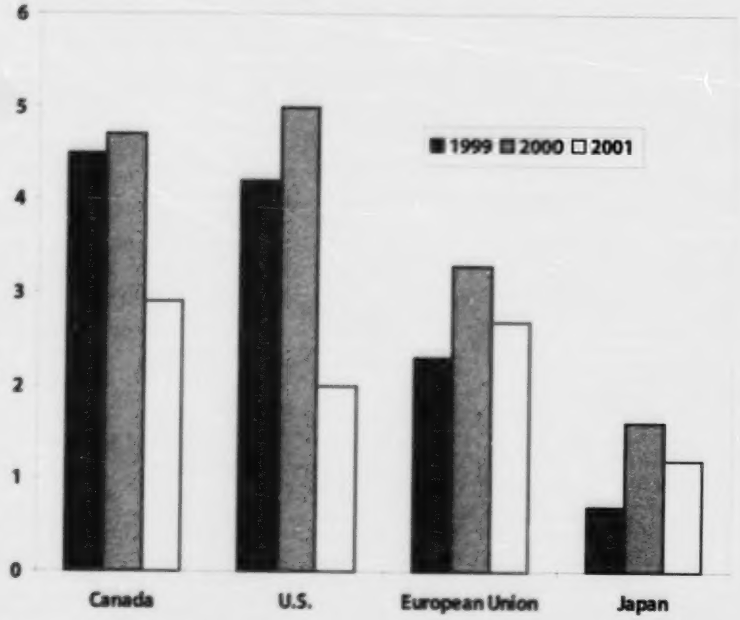


Source: Bank of Canada, Federal Reserve Bank of St. Louis and Alberta Finance.

- Given the sharp reduction in interest rates and the likelihood of substantial tax cuts later this year, the U.S. economy is expected to strengthen in the second half of 2001. Overall economic growth is expected to be about 2% this year in the United States, down from a sizzling 5% in 2000.
- Slower growth in the United States is expected to dampen growth in the rest of the global economy, particularly in Canada. Growth in Canada is expected to slow from 4.7% in 2000 to 2.9% this year. Lower interest rates and tax cuts should help sustain consumer spending, even though exports are expected to slow.

WORLD GROWTH TO MODERATE

Real Gross Domestic Product (per cent change)

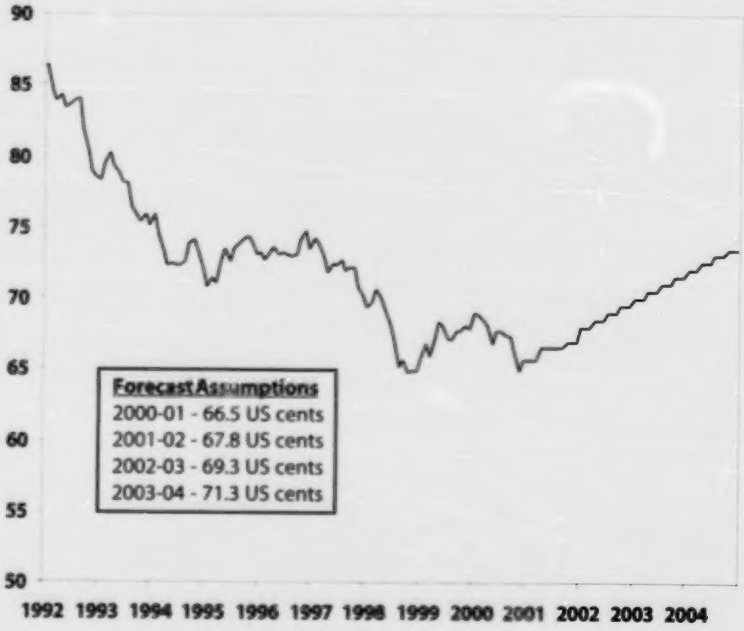


Source: IMF and Alberta Finance

- The Canadian dollar has weakened sharply against its U.S. counterpart this year, in common with most other currencies.
- The fundamentals -- low inflation, good economic prospects, a large current account surplus, and a relatively strong fiscal position -- suggest that the Canadian dollar should gradually appreciate over the medium term.

CANADIAN DOLLAR EXPECTED TO RISE

(U.S. cents/Cdn$)

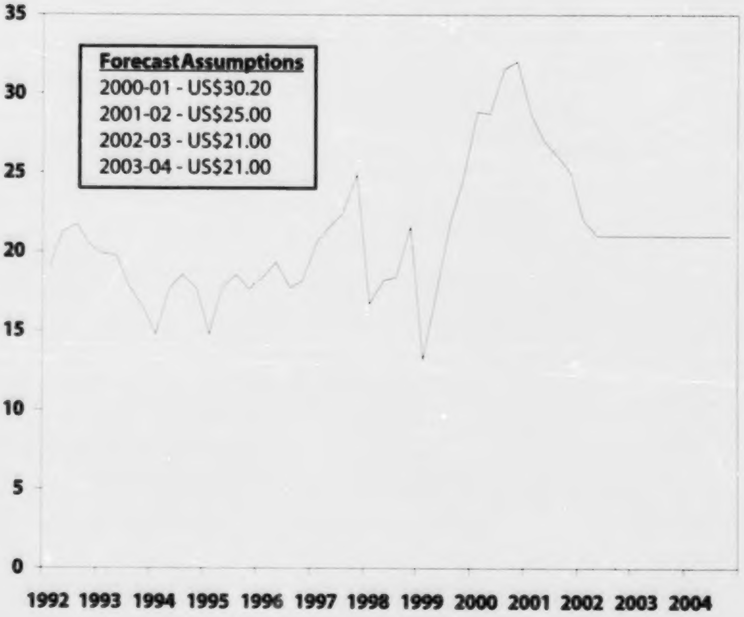


Source: Statistics Canada and Alberta Finance

- Strong global economic growth and tight OPEC supply discipline boosted oil prices in 1999 and 2000. Oil prices averaged US$30.20 per barrel in 2000-01, up from US$23.16 per barrel in 1999-2000.
- Prices have eased from their November peaks of around US$35/bbl to around US$27 per barrel in March. In March, OPEC announced substantial production cuts in order to prevent a sharp decline in prices.
- Oil prices are expected to average US$25 per barrel in fiscal 2001-02 and US$21 per barrel thereafter.

OIL PRICES TO MODERATE

WTI Price (US$/barrel, quarterly)

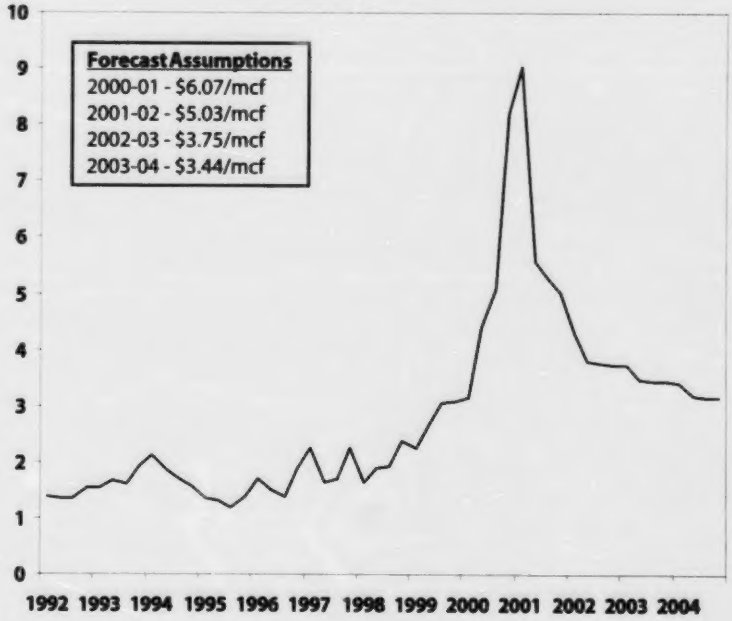


Source: Alberta Energy

- Low natural gas inventory levels and high demand for electricity generation resulted in huge increases in natural gas prices in the United States in 2000. By January 2001, the Alberta Reference Price had reached $11.82/mcf.
- In Alberta, increased pipeline capacity has allowed domestic gas prices to follow the U.S. lead. AECO-C spot prices have increased over 100% since last March to around $7 per mcf.
- The Alberta reference price is expected to average $6.07 for 2000-01, up from $2.66 in 1999-2000.
- In the medium term, natural gas prices are expected to fall back as natural gas supplies rebound and demand growth eases.

NATURAL GAS PRICES TO MODERATE

Alberta Reference Price (Cdn$/mcf, quarterly)

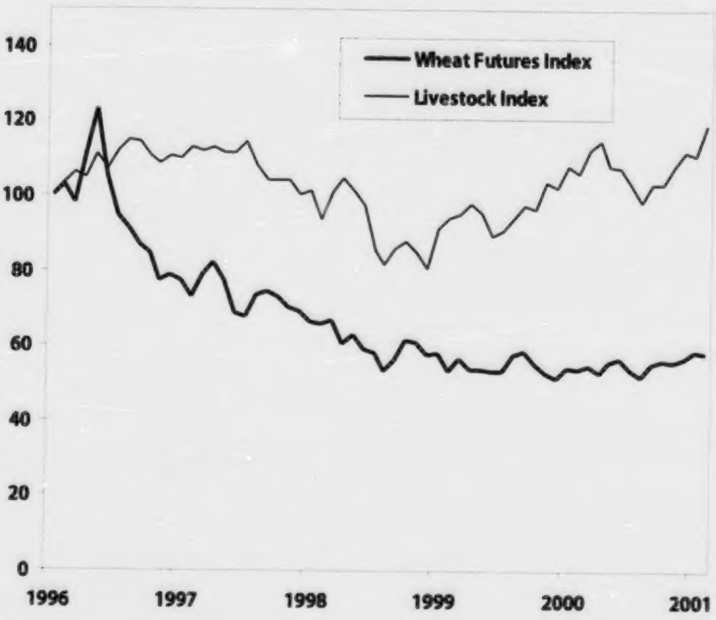


Source: Alberta Energy

- Livestock prices generally improved in 2000 due to the recovery in hog prices and continued strength in cattle prices. Livestock prices were up 12% in 2000. Livestock cash receipts remained strong in Alberta, increasing 11.5%, led by hog cash receipts (up 45.6%) and calves (up 25.6%).
- Prices for crops showed some signs of firming. Prices for wheat fell 9.7% in 1999, and remained virtually flat in 2000. Wheat futures prices in February 2001 were 8% higher than in February 2000. Even though crop receipts for barley were up 14.4% in 2000, a 13.3% decline in canola receipts and a 6.2% decline in wheat receipts resulted in a 4.3% decline in crop cash receipts for Alberta producers in 2000.

AGRICULTURE PRICES FIRMING

Goldman Sachs Commodity Index (1969 =100)

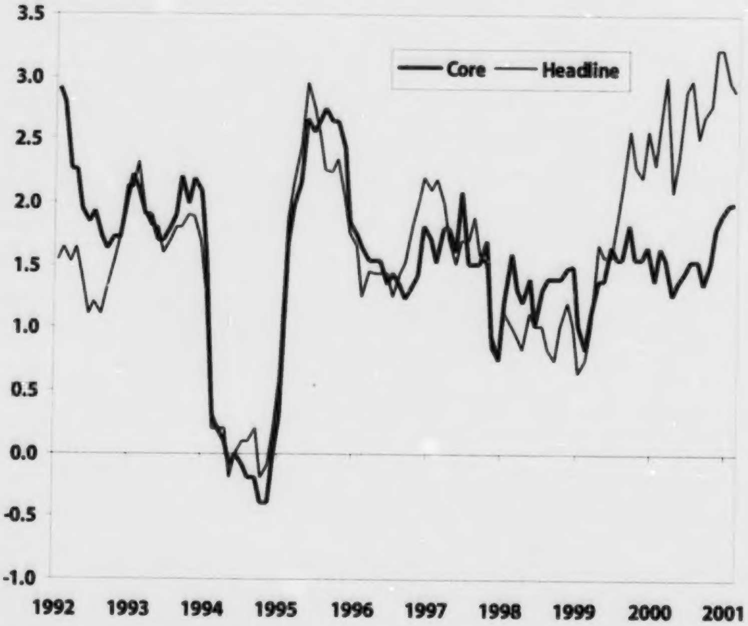


Source: Goldman Sachs and Alberta Finance

- In Canada and around the world, higher energy prices have pushed up the overall Consumer Price Index (CPI) inflation rate. The overall CPI inflation rate was 2.9% in Canada in February.
- The core CPI inflation rate, which excludes food and energy, is a indication of underlying inflation pressures. After remaining stable at around 1.5% for the past 3 years, it edged up to 2% in February. This is still in the middle of the Bank of Canada's 1% to 3% inflation target zone.
- Domestic cost pressures remain subdued in Canada. The economy has become less energy-intensive since the 1970s, but more importantly, the rise in energy prices is expected to be temporary and thus has not had a strong impact on inflation expectations.

CANADIAN INFLATION EDGING UP

Consumer Price Index (12-month per cent change)

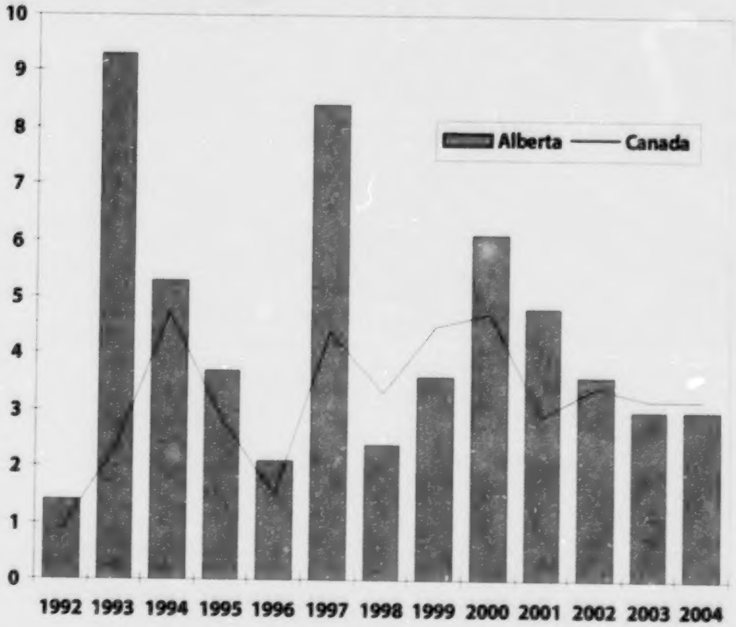


Source: Statistics Canada and U.S. Department of Labor

- Alberta has grown faster than Canada in 8 of the past 10 years.
- In 2000, Alberta's economy grew an estimated 6.1% due to a rebound in energy sector investment. Growth this year is expected to be 4.8%, the fastest in Canada.
- Although energy prices are expected to fall back to more sustainable levels in the medium term, Alberta's diversified economy is expected to expand at a healthy 3.2% as tax cuts boost consumer and business spending, and major projects in manufacturing and oil sands come on stream, increasing exports.

ECONOMIC ACTIVITY IN ALBERTA REMAINS STRONG

Real Gross Domestic Product (per cent change)

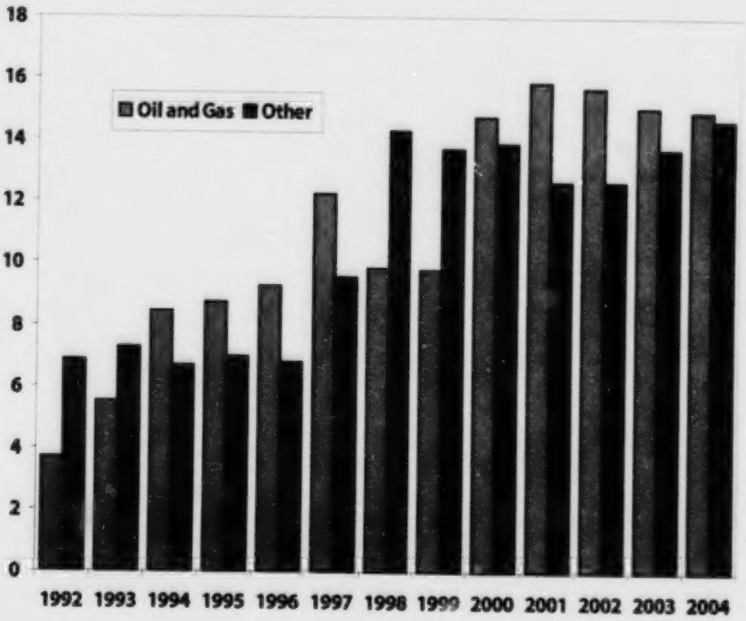


Source: Statistics Canada and Alberta Finance

- The rebound in the energy investment dominated Alberta's economic performance in 2000. Conventional oil and gas investment (exploration and development drilling), combined with continued strong oil sands investment, raised real energy investment an estimated 50% in 2000.
- Real energy investment is expected to increase further, by almost 8% this year as investment in oil sands peaks, and natural gas directed drilling remains strong.
- After modest growth of about 1.3% in 2000, real non-energy investment is expected to fall by about 10% this year as major projects are completed. Corporate income tax cuts should help boost growth in the medium term.
- Non-energy investment expected in the near future includes major projects in utilities ($3.5 billion), transportation infrastructure ($3.9 billion), pipelines ($3 billion), and commercial and real estate developments ($2.8 billion).

INVESTMENT STRENGTHENS

Alberta Real Business Investment (billions of 1992 dollars)

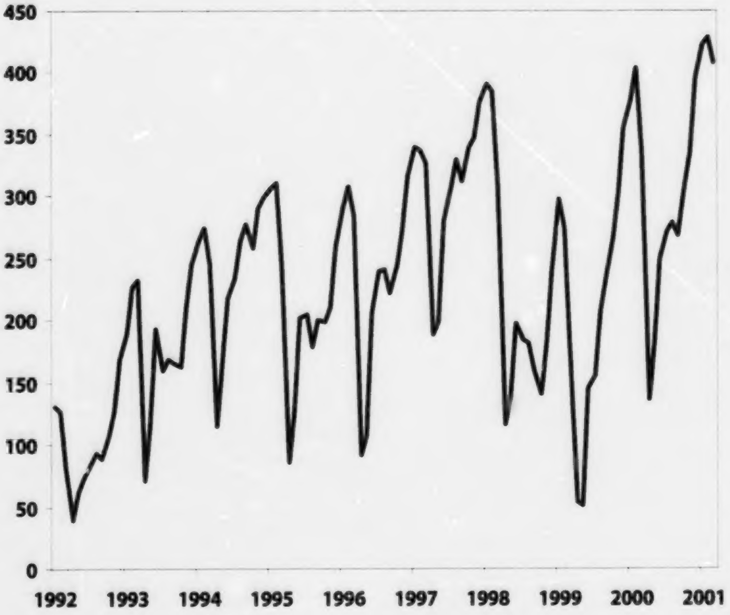


Source: Statistics Canada and Alberta Finance

RIG ACTIVITY REMAINS STRONG

(number of rigs drilling)

- Rig activity remained strong in 2000, due to high energy prices. The number of rigs drilling increased 41.1% compared to 1999.
- In the first quarter of 2001, the average number of rigs drilling was 12.5% higher than during the same period last year.
- The total number of oil and gas wells drilled in Alberta rose 61% in 2000 to 10,512. Gas wells accounted for 69% of the total.

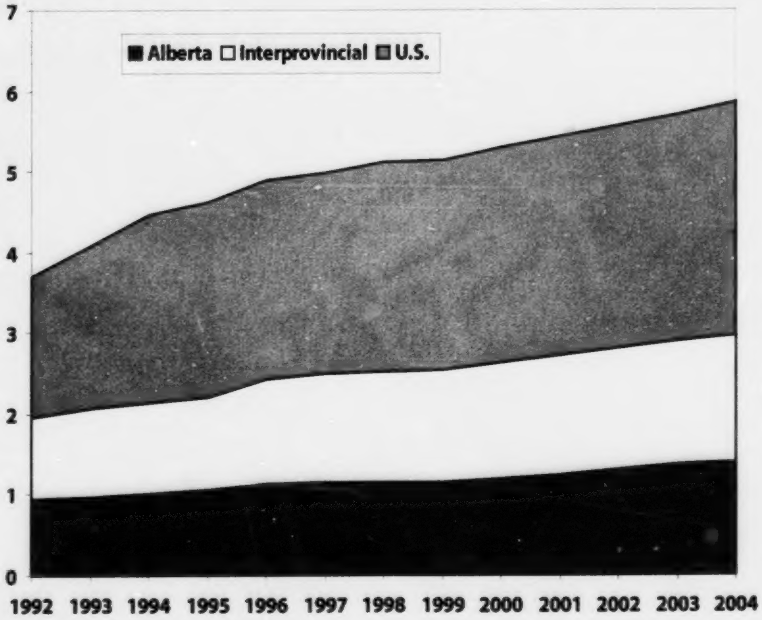


Source: Alberta Energy

GAS SALES EXPAND WITH PIPELINE CAPACITY

(trillions of cubic feet)

- For the first 11 months in 2000, Alberta natural gas deliveries rose an estimated 0.8% compared to the same time period in 1999.
- Natural gas exports are expected to grow as the result of strong demand in the U.S. market and expanded export pipeline capacity. The Alliance and Vector pipelines, for example, came on stream in late 2000 and should help boost natural gas exports as supplies increase.

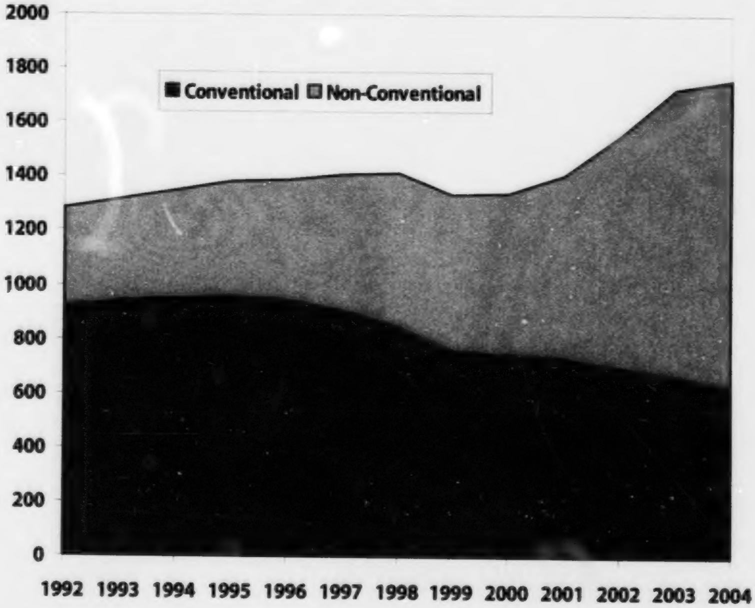


Source: Alberta Energy

- Conventional crude production has been declining since 1995, and is expected to continue to decline. Non-conventional crude production, on the other hand, has been increasing sharply, and is expected to boost energy exports as new projects come on stream.
- Non-conventional oil production is forecast to rise over 90% from current levels by 2004. It is expected to account for over 60% of Alberta's oil production in 2004, compared to an estimated 43% in 1999.
- Over $16 billion worth of investment projects have been announced for the next 10 years. An additional $25 billion worth of projects are in the proposal stage.

NON-CONVENTIONAL OIL PRODUCTION GROWING

(thousands of barrels per day)

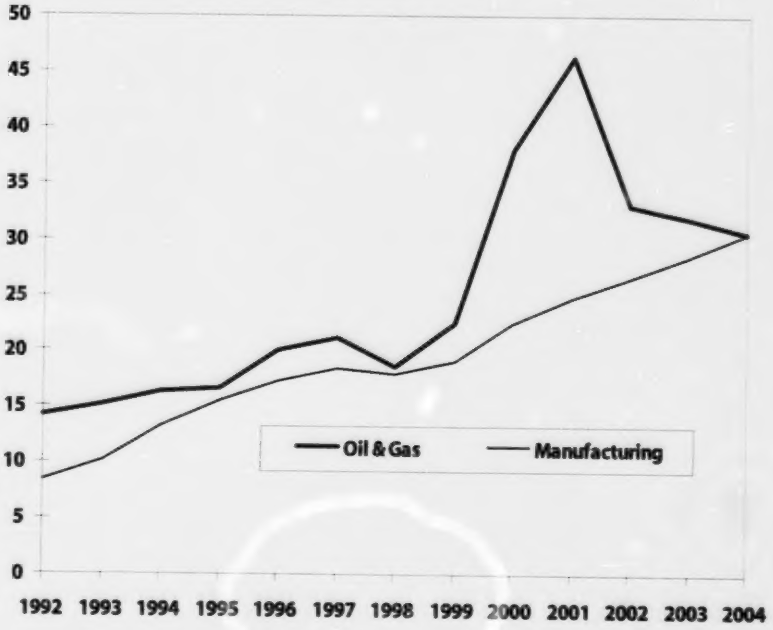


Source: Alberta Energy

- In 2000, Alberta's international goods exports were up 59.9%, the highest rate of growth in the country. Machinery and equipment was up 80.6%, and energy products 85.3%.
- Total exports of goods and services, including those to the rest of Canada, are estimated to have risen by 32.1% in 2000 to about $81 billion, led by a $15.6 billion surge in the value of oil and natural gas exports. Exports accounted for 58% of the Alberta economy in 2000.
- The value of Alberta's exports is expected to increase again this year due to the rising value of natural gas exports and higher manufacturing exports as several major petrochemical plants come on stream.

MAJOR EXPORTS STRONG

Alberta Nominal Exports (billions of dollars)

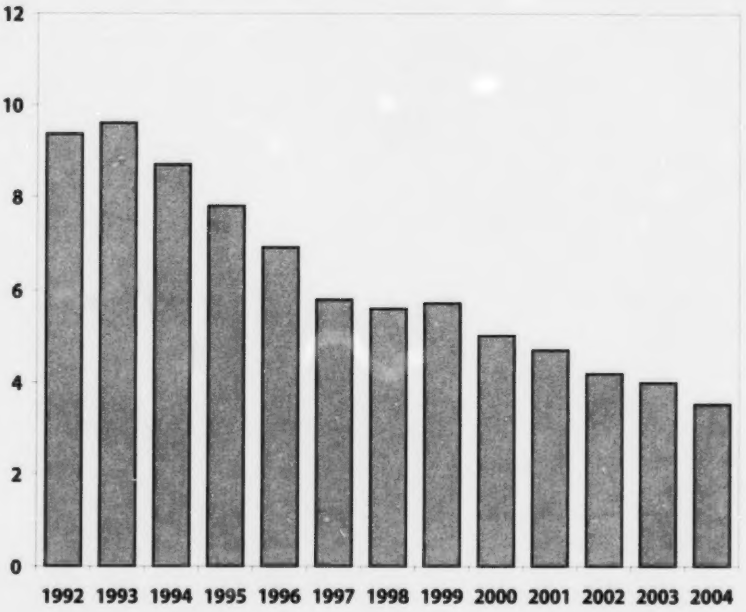


Source: Statistics Canada and Alberta Finance

- Strong economic growth reduced Alberta's unemployment rate from 5.7% in 1999 to an average of 5.0% in 2000.
- In March 2001, the unemployment rate was 4.8%, the lowest among provinces.
- Alberta's unemployment rate is expected to decline gradually over the forecast horizon to around 3.5% by 2004. This is low by historical standards.

DECLINING UNEMPLOYMENT RATE

(per cent)

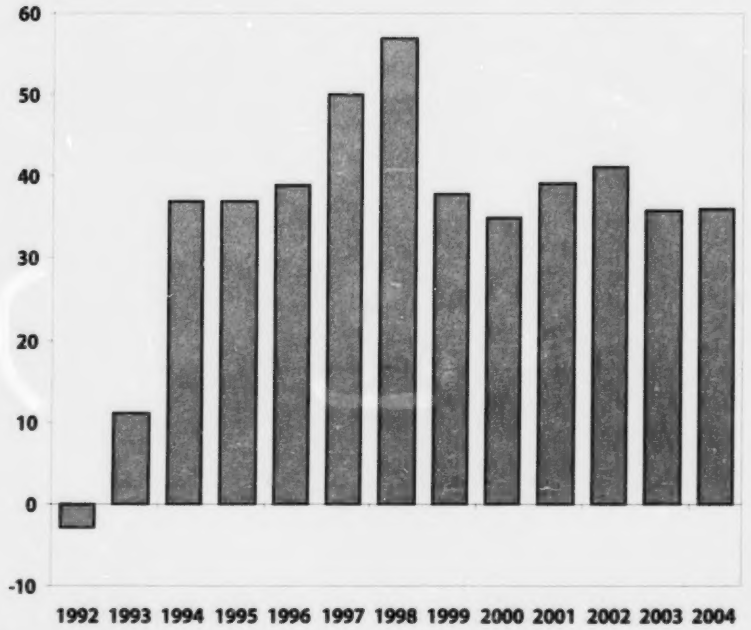


Source: Statistics Canada and Alberta Finance

- Employment growth in 2000 was a healthy 2.2% or 34,900 jobs. Gains were led by trade, construction and accommodation and food services.
- Shortages of skilled labour may have been a factor constraining employment growth in some industries.
- This year, the Alberta economy is expected to create 39,000 new jobs.
- Over the medium term, employment in Alberta is expected to grow at an average rate of 2.3% per year.
- Approximately 153,000 more jobs are forecast to be created from 2000 to 2004.

JOB GROWTH CONTINUES

Change in Employment (thousands)

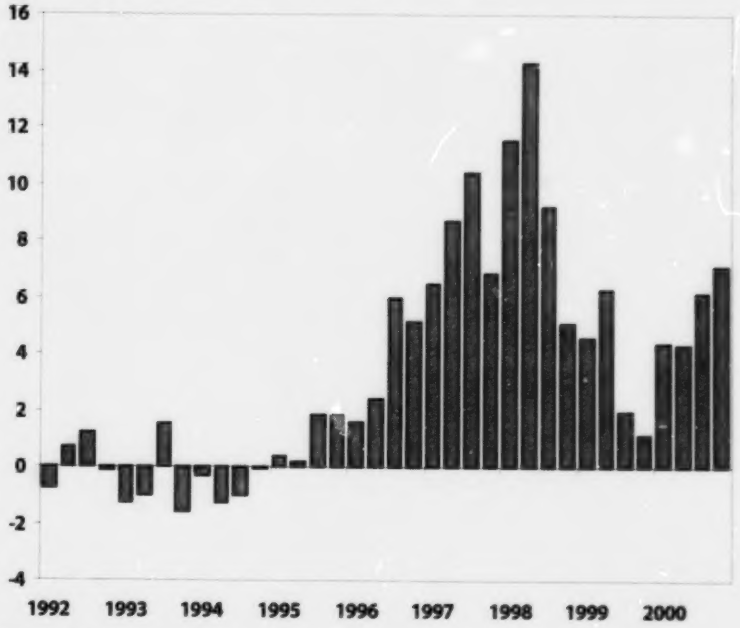


Source: Statistics Canada and Alberta Finance

- After dropping to 13,985 in 1999, net interprovincial migration picked up strongly in 2000 to 21,951, the highest among the provinces.
- Alberta's gains have come mostly from British Columbia and Saskatchewan.
- Over the medium-term, interprovincial migration is expected to add about 15,000 people to Alberta's population per year.
- Alberta's population reached the 3 million mark in 2000. It is expected to grow by 1.4% per year on average through 2004, one of the fastest rates in Canada.

PEOPLE STILL MOVING TO ALBERTA

Alberta Net Interprovincial Migration (thousands)

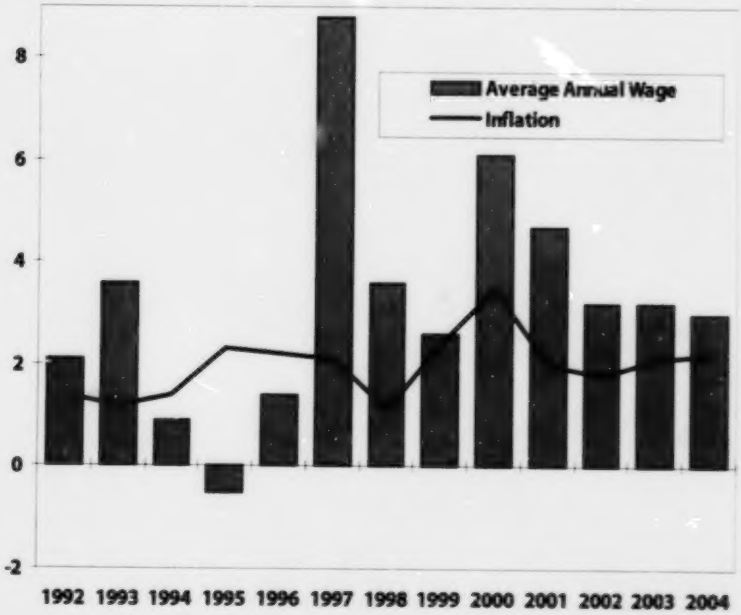


Source: Statistics Canada

- Healthy employment growth and skill shortages in some key sectors are boosting wages in Alberta. Led by gains in the health sector and construction, wage settlements were up 4.3% on average in 2000, approximately double the national level.
- Average wages per worker rose 6.1% in 2000. This yields a real wage gain of 2.6% when inflation is taken into account, and continues the trend of rising real wages evident since 1997.
- In 2001, average wages per worker are forecast to increase by 4.7% per year. In 2002 through 2004, average wages per worker are expected to increase by 3.1% per year on average, about 1 percentage point higher than inflation.

EARNINGS GROWTH IN ALBERTA

(per cent change in average annual earnings)

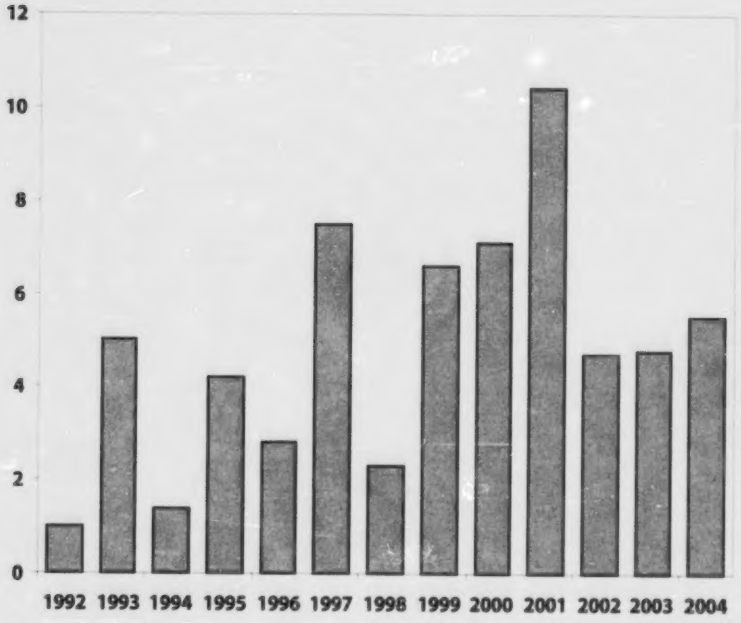


Source: Statistics Canada and Alberta Finance

- Personal disposable income is expected to increase by 10.4% in 2001, primarily because of personal tax cuts and healthy wage growth.
- For 2002 to 2004 disposable income is expected to grow at around 5% per year.
- These gains are expected to translate into strong housing starts and healthy consumer spending.

DISPOSABLE INCOME SHOWING ROBUST GROWTH

Alberta Disposable Income (per cent change)

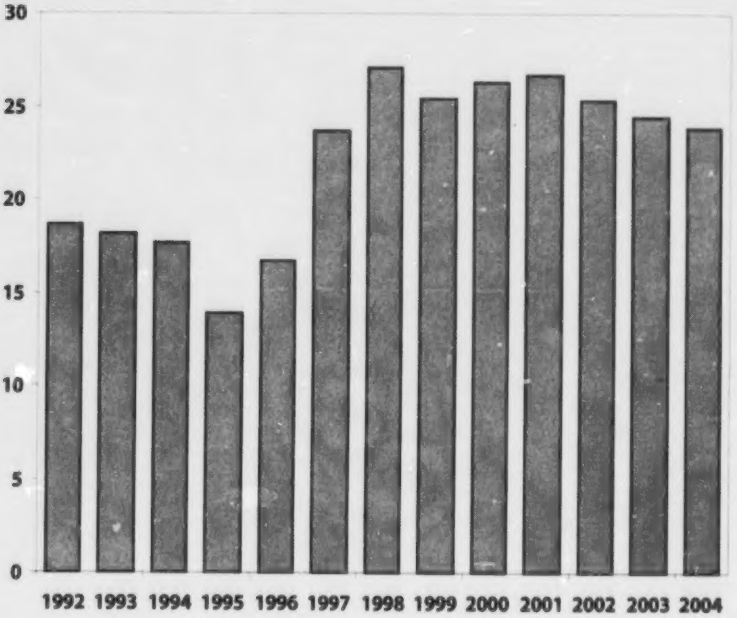


Source: Alberta Finance

- Healthy labour markets, continued net interprovincial in-migration, and Alberta's strong economy in 2000 boosted housing activity despite higher mortgage rates. Total housing starts were up 3.2% in 2000.
- Urban housing starts have increased 7.7% during the first quarter of 2001 compared to the same the period a year ago.
- Over the medium term, housing starts in Alberta are expected to remain around 25,000 per year due to strong growth in disposable income and a healthy economy.

HOUSING STRONG

Alberta Housing Starts (thousands of units)

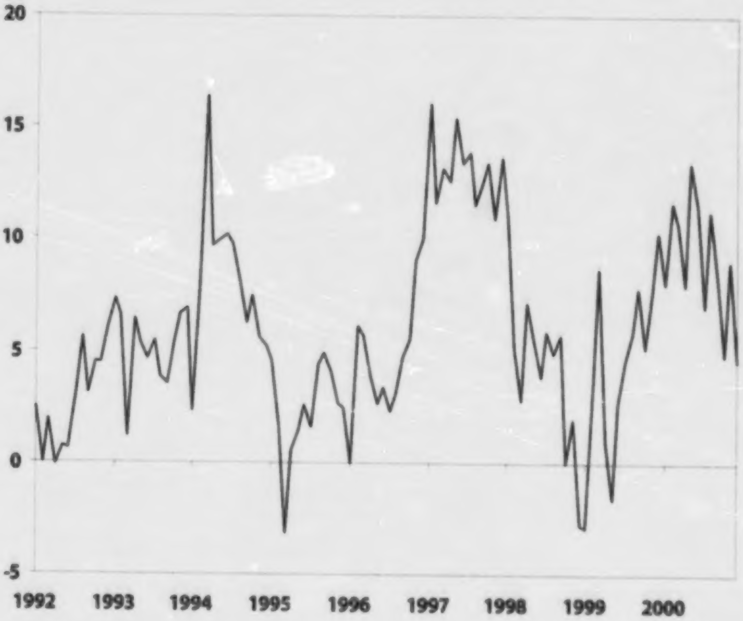


Source: Canada Mortgage and Housing Corporation and Alberta Finance

- Retail sales in Alberta remain strong, increasing 8.9% in 2000. Alberta leads the country in retail sales per capita.
- Strong growth in employment and wages and the final installment of the tax plan are expected to maintain strong consumer confidence and retail sales in 2001.
- Retail sales are expected to grow by 8.1% in 2001 and by 4.4% per year on average over the medium-term.

RETAIL SALES RECOVERING

Alberta Retail Sales (seasonally adjusted, year over year, per cent change)

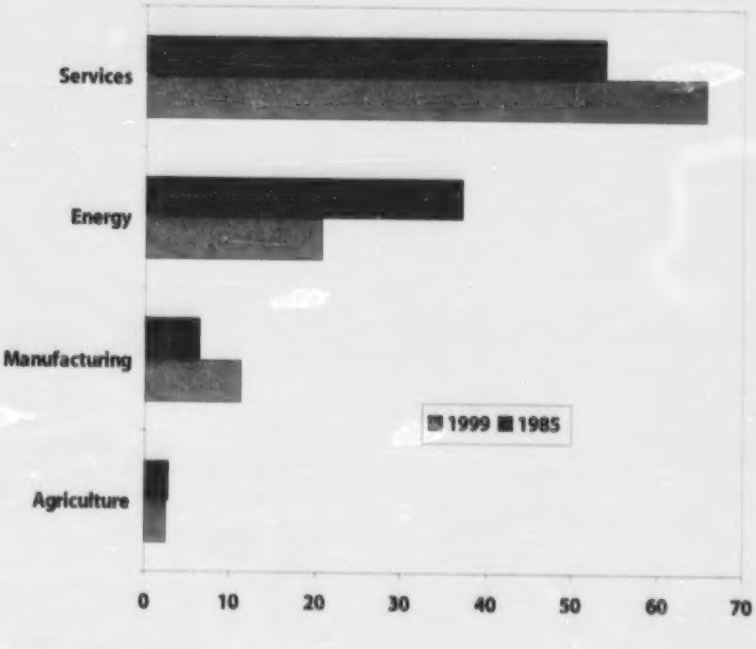


Source: Statistics Canada

- Although the rebound in energy sector investment dominated growth in 2000, Alberta's economy is now more diversified and less susceptible to volatile commodity price fluctuations than it was in the 1970s and early 1980s. Energy accounted for only 20.7% of Alberta's GDP in 1999, compared to 37.2% in 1985.
- Manufacturing increased its share of Alberta GDP from 6.3% in 1985 to 11.1% in 1999 because of rapid growth in electronic products, wood products, food processing, machinery and transportation equipment, and chemicals.
- The service sector grew from 53.9% of GDP in 1985 to 65.9% in 1999 because of growth in business services (from 2.8% in 1985 to 5.7% in 1999), finance, insurance and real estate (from 9.2% in 1985 to 12.6% in 1999) and wholesale trade (3.8% in 1985 to 5.6% in 1999).

DIVERSIFICATION STRENGTHENS ALBERTA

Nominal GDP by Industry (per cent)



Source: Alberta Finance

Province of Alberta

Key Energy and Economic Assumptions[a]

Fiscal Year Assumptions	1998-99 Actual	1999-2000 Actual	2000-01	2001-02	2002-03	2003-04
Prices						
Oil price						
WTI *(US$/bbl)*	13.70	23.16	30.20[c]	25.00	21.00	21.00
Alberta wellhead *(Cdn$/bbl)*	17.06	30.30	39.51	32.05	25.30	24.08
Natural gas price						
Alberta wellhead *(Cdn$/mcf)*	1.98	2.66	6.07	5.03	3.75	3.44
Alberta wellhead *(Cdn$/GJ)*	1.88	2.52	5.76	4.77	3.56	3.26
Exchange rate *(US¢/Cdn$)*	66.5	68.0	66.5[c]	67.8	69.3	71.3
Production						
Crude oil and equivalent *(000's barrels/day)*	1,524	1,467	1,375	1,446	1,604	1,739
Natural gas *(billions of cubic feet)*	5,289	5,370	5,352	5,425	5,506	5,589
Interest rates[b]						
3-month Canada treasury bills *(per cent)*	4.81	4.76	5.42[c]	4.75	5.00	5.00
10-year Canada bonds *(per cent)*	5.21	5.83	5.70[c]	5.50	5.50	5.50

Calendar Year Assumptions	1999 Actual	2000	2001	2002	2003	2004
Gross Domestic Product						
Nominal *(millions of dollars)*	115,417	140,794	157,805	150,309	156,711	163,538
per cent change	9.0	22	12.1	-4.8	4.3	4.4
Real *(millions of 1992 dollars)*	103,794	110,124	115,434	119,623	123,155	126,886
per cent change	3.6	6.1	4.8	3.6	3.0	3.0
Other Indicators						
Employment *(thousands)*	1,553	1,588[c]	1,627	1,669	1,705	1,741
per cent change	2.5	2.2[c]	2.5	2.5	2.2	2.1
Unemployment rate *(per cent)*	5.7	5.0[c]	4.7	4.2	4.0	3.5
Housing starts *(number of units)*	25,447	26,266[c]	26,700	25,300	24,500	23,900
Alberta Consumer Price Index						
per cent change	2.4	3.5[c]	2.0	1.8	2.1	2.2
Population *(thousands)*	2,959	2,997[c]	3,041	3,084	3,126	3,166
per cent change	1.8	1.3[c]	1.5	1.4	1.4	1.3

[a] As required by the Government Accountability Act.

[b] For debt servicing calculations, appropriate Alberta spreads are applied to Government of Canada yields.

[c] Actual

Province of Alberta

Key Energy and Economic Assumptions[a]

Fiscal Year Assumptions	**1998-99 Actual**	**1999-2000 Actual**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
Prices						
Oil price						
WTI *(US$/bbl)*	13.70	23.16	30.20[c]	25.00	21.00	21.00
Alberta wellhead *(Cdn$/bbl)*	17.06	30.30	39.51	32.05	25.30	24.08
Natural gas price						
Alberta wellhead *(Cdn$/mcf)*	1.98	2.66	6.07	5.03	3.75	3.44
Alberta wellhead *(Cdn$/GJ)*	1.88	2.52	5.76	4.77	3.56	3.26
Exchange rate *(US¢/Cdn$)*	66.5	68.0	66.5[c]	67.8	69.3	71.3
Production						
Crude oil and equivalent *(000's barrels/day)*	1,524	1,467	1,375	1,446	1,604	1,739
Natural gas *(billions of cubic feet)*	5,289	5,370	5,352	5,425	5,506	5,589
Interest rates[b]						
3-month Canada treasury bills *(per cent)*	4.81	4.76	5.42[c]	4.75	5.00	5.00
10-year Canada bonds *(per cent)*	5.21	5.83	5.70[c]	5.50	5.50	5.50

Calendar Year Assumptions	**1999 Actual**	**2000**	**2001**	**2002**	**2003**	**2004**
Gross Domestic Product						
Nominal *(millions of dollars)*	115,417	140,794	157,805	150,309	156,711	163,538
per cent change	9.0	22	12.1	-4.8	4.3	4.4
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per cent change	3.6	6.1	4.8	3.6	3.0	3.0
Other Indicators						
Employment *(thousands)*	1,553	1,588[c]	1,627	1,669	1,705	1,741
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per cent change	1.8	1.3[c]	1.5	1.4	1.4	1.3

[a] As required by the Government Accountability Act.

[b] For debt servicing calculations, appropriate Alberta spreads are applied to Government of Canada yields.

[c] Actual

Sensitivities to Fiscal Year Assumptions, 2001-02[a]

(millions of dollars)

	Change	Revenue	Spending	Net Change
Oil Price (WTI US$/bbl)	-$1.00	-153	--	-153
Natural Gas Price (Cdn$/mcf)	-10¢	-142	--	-142
Exchange Rate (US¢/Cdn$)	+1¢	-120	-30	-90
Interest Rates	-1%	-39	-29	-10
Real Gross Domestic Product	-1%	-40	--	-40

[a] Sensitivities are based on current assumptions of prices and rates and show the impact for a full 12 month period. Sensitivities can vary significantly at different price and rate levels. The interest rate sensitivity is also affected by the timing of changes during the fiscal year.

Alberta Real Gross Domestic Product Forecast Benchmark

(per cent change)

Organization	2000	2001	2002	2003	2004
National Forecasting Agencies					
Conference Board of Canada (Mar/01)	6.3	4.6	3.5	2.8	3.8
Standard and Poor's DRI (Feb/01)	6.1	4.0	4.0	4.9	4.2
WEFA (Jan/01)	6.2	4.0	3.3	3.2	3.2
Banks					
Bank of Montreal (Oct/00)	5.5	4.5	3.8	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/01)	6.5	4.5	4.5	n/a	n/a
Royal Bank (Apr/01)	5.5	5.7	5.7	n/a	n/a
Scotiabank (Mar/01)	6.0	3.5	4.2	n/a	n/a
Toronto Dominion Bank (Mar/01)	5.6	4.0	3.8	n/a	n/a
Other					
Canada Mortgage and Housing Corporation (Nov/00)	5.7	4.5	3.8	n/a	n/a
BMO Nesbitt Burns (Dec/00)	5.8	4.3	n/a	n/a	n/a
High	6.5	5.7	5.7	4.9	4.2
Low	5.5	3.5	3.3	2.8	3.2
Average	5.9	4.4	4.1	3.6	3.7
Alberta Government	**6.1**	**4.8**	**3.6**	**3.0**	**3.0**

Oil Price Forecast Benchmark

West Texas Intermediate (US$/bbl)

Organization	**2001**	**2002**	**2003**	**2004**
National Forecasting Agencies				
Conference Board of Canada (Mar/01)	26.92	25.18	23.80	24.33
Standard and Poor's DRI (Mar/01)	26.53	24.40	23.21	22.12
The WEFA Group (Mar/01)	26.48	24.63	23.90	23.87
Investment Houses				
Deutsche Bank (Feb/01)	25.50	23.50	n/a	n/a
CS First Boston (Mar/01)	23.00	18.50	18.50	18.50
Goldman Sachs (Mar/01)	23.50	22.00	n/a	n/a
JP Morgan (Mar/01)	27.70	22.00	n/a	n/a
Lehman Brothers (Mar/01)	25.50	21.00	n/a	n/a
RBC Dominion Securities (Mar/01)	25.00	25.00	n/a	n/a
Industry Analysts				
ARC Financial Corporation (Mar/01)	26.00	23.00	23.00	23.30
Peters & Co. Limited (Mar/01)	25.00	25.00	n/a	n/a
High	27.70	25.18	23.90	24.33
Low	23.00	18.50	18.50	18.50
Average	25.55	23.11	22.48	22.42
Alberta Government (calendar year)	**26.66**	**21.25**	**21.00**	**21.00**

Natural Gas Price Forecast Benchmark

Alberta Average Wellhead Gas Price (Cdn$/mcf)

Organization	**2001**	**2002**	**2003**	**2004**
ARC Financial Corporation (Mar/01)	6.40	5.35	4.20	4.00
Gilbert Lausten Jung Associates (Apr/01)	7.90	5.90	5.15	4.30
National Bank Financial (Mar/01)	5.20	3.90	n/a	n/a
Merrill Lynch (Mar/01)	6.00	5.00	4.65	4.30
Peters & Co. Limited (Mar/01)	5.00	5.00	n/a	n/a
RBC Dominion Securities (Mar/01)	5.50	4.80	n/a	n/a
High	7.90	5.90	5.15	4.30
Low	5.00	3.90	4.20	4.00
Average	6.00	4.99	4.67	4.20
Alberta Government (calendar year)	**6.22**	**3.89**	**3.52**	**3.23**

In developing its forecast, the Department of Energy also looks at forecasts from the following private sector forecasters: PIRA, Purvin & Gertz, CGES, CERA, Petroleum Economics Ltd. and Ziff.

Canadian Short-Term Interest Rate Forecast Benchmark

3-month Canadian Treasury Bills (per cent)

Organization	**2001**	**2002**	**2003**	**2004**
National Forecasting Agencies				
Conference Board of Canada (Mar/01)	4.98	5.56	5.56	5.48
Standard and Poor's DRI (Mar/01)	5.03	4.85	5.28	5.63
The WEFA Group (Mar/01)	4.69	4.94	5.48	5.54
Banks				
Bank of Montreal (Mar/01)	4.60	4.50	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/01)	4.33	4.75	n/a	n/a
Royal Bank (Mar/01)	4.65	5.25	n/a	n/a
Scotiabank (Apr/01)	4.16	4.51	n/a	n/a
Toronto Dominion Bank (Mar/01)	4.33	4.65	n/a	n/a
Investment Dealers				
CIBC World Markets (Mar/01)	3.97	3.75	n/a	n/a
BMO Nesbitt Burns (Mar/01)	4.43	4.34	n/a	n/a
High	5.08	5.56	5.56	5.63
Low	3.97	3.75	5.28	5.48
Average	4.56	4.65	5.44	5.55
Alberta Government (calendar year)	**4.83**	**4.94**	**5.00**	**5.00**

Canadian Long-Term Interest Rate Forecast Benchmark

10-Year Government of Canada Bond Yield (per cent)

Organization	**2001**	**2002**	**2003**	**2004**
National Forecasting Agencies				
Conference Board of Canada (Mar/01)	5.68	5.96	5.99	5.92
Standard and Poor's DRI (Mar/01)	5.28	5.24	5.59	5.88
The WEFA Group (Mar/01)	5.59	5.66	5.78	5.83
Banks				
Bank of Montreal (Mar/01)	5.24	5.55	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/01)	5.08	5.58	n/a	n/a
Royal Bank (Mar/01)	5.71	n/a	n/a	n/a
Scotiabank (Apr/01)	5.39	5.29	n/a	n/a
Toronto Dominion Bank (Mar/01)	5.19	6.00	n/a	n/a
Investment Dealers				
CIBC World Markets (Mar/01)	5.28	5.41	n/a	n/a
BMO Nesbitt Burns (Mar/01)	5.16	4.98	n/a	n/a
High	5.71	6.00	5.99	5.92
Low	5.08	4.98	5.58	5.80
Average	5.36	5.52	5.79	5.88
Alberta Government (calendar year)	**5.48**	**5.50**	**5.50**	**5.50**

Canada/United States Exchange Rate Forecast Benchmark

(US¢/Cdn$)

Organization	2001	2002	2003	2004
National Forecasting Agencies				
Conference Board of Canada (Mar/01)	64.6	65.5	66.6	67.3
Standard and Poor's DRI (Mar/01)	67.9	68.9	71.1	72.8
The WEFA Group (Mar/01)	66.5	69.2	71.2	73.3
Banks				
Bank of Montreal (Mar/01)	65.8	69.0	n/a	n/a
Canadian Imperial Bank of Commerce (Mar/01)	65.8	69.1	n/a	n/a
Royal Bank (Mar/01)	69.0	71.4	n/a	n/a
Scotiabank (Apr/01)	65.0	68.1	n/a	n/a
Toronto Dominion Bank (Mar/01)	64.8	69.6	n/a	n/a
Investment Dealers				
CIBC World Markets (Mar/01)	62.8	63.5	n/a	n/a
BMO Nesbitt Burns (Mar/01)	64.4	66.9	n/a	n/a
High	69.0	71.4	71.2	73.3
Low	62.8	63.5	66.6	67.3
Average	65.6	68.0	69.6	71.1
Alberta Government (calendar year)	**66.2**	**68.8**	**70.8**	**72.8**

Tracking the Forecasts of Oil Prices

West Texas Intermediate (US$bbl)

Organization	**How Did They Do 2000**	**What They Were Saying About 2001 in Budget 2000**	**What They Are Saying About 2001 in Budget 2001**
Actual	**30.29**		
ARC Financial Corporation	-8.79	20.00	26.00
BT Bank/Deutsche Bank[a]	-6.04	20.30	25.50
Conference Board of Canada	-9.06	18.71	26.92
CS First Boston	-9.79	19.50	23.00
Goldman Sachs	-11.29	19.50	23.50
JP Morgan	-7.29	20.00	27.70
Lehman Brothers	-10.29	19.00	25.50
Peters & Co. Limited	-10.29	20.00	25.00
RBC Dominion Securities	-7.29	21.00	25.00
Standard and Poor's DRI	-10.40	19.07	26.53
The WEFA Group	-6.76	21.07	26.45
Average	-8.84	19.83	25.55
Alberta Government (calendar year)	**-9.76**	**18.00**	**26.66**

[a] Was bought by Deutsche Bank in 2000.

Tracking the Forecasts of Alberta Real GDP

(per cent change)

Organization	**How Did They Do 1999**	**What They Were Saying About 2000 in Budget 2000**	**What They Are Saying About 2000 in Budget 2001**
Actual	**3.6**		
Bank of Montreal	-0.6	3.9	5.5
Canada Mortgage and Housing Corporation	-1.4	3.2	5.7
Canadian Imperial Bank of Commerce	-0.1	4.0	6.5
Conference Board of Canada	-2.7	4.0	6.3
BMO Nesbitt Burns	0.4	5.0	5.8
Royal Bank	-0.6	3.2	5.5
Scotiabank	-0.6	4.8	6.0
Standard and Poor's DRI	-2.0	4.6	6.1
Toronto Dominion Bank	-2.1	3.8	5.6
The WEFA Group	-0.5	3.8	6.2
Average	-1.1	4.1	5.9
Alberta Government	**-1.1**	**4.5**	**6.1**

Announced Major Projects Over $100 Million

Proposed or Under Construction

Company Name	**Location**	**Type of Project**	**Cost ($millions)**	**Timing**
OIL AND GAS				
Alberta Energy Company	Foster Creek	Steam Assisted Gravity Drainage (SAGD) Bitumen Project - Phase 1	320	2000-2002
Albian Sands Energy Inc.	RM of Wood Buffalo (Muskeg River)	Oilsands Mining/Extraction Plant	1,800	1999-2002
Canadian Natural Resources	Cold Lake/Pelican Lake Beartrap and Charlotte Lakes	In situ Bitumen Project	800	1997-2002
	Primrose/Wolf Lake	In situ Bitumen Project	130	2001-2003
Centurian Gas Liquids Inc.	Empress to Fort Saskatchewan	Straddle Plant and Pipeline Project	170	2000-2001
Gulf Canada Resources/ Fina Resources	Surmont	SAGD Bitumen Project - Phase 2	280	2001-2004
	Surmont	SAGD Bitumen Project - Phase 3	280	2003-2010
Imperial Oil	Cold Lake	Heavy Oil Plant Expansion "Mahkeses"	650	2001-2003
	Strathcona County	Strathcona Refinery Upgrades	500	2001-2005
	Sundre area	WestAlta Straddle Plant	250	2000-2001
Japan Canada Oil Sands	Hangingstone	SAGD Bitumen Project - Phase 3	130	2000-2003
Mobil Oil Canada	Cold Lake	In situ Bitumen Project	100	1997-2005
OPTI Canada Inc.	RM of Wood Buffalo (near Anzac)	'Long Lake' SAGD Heavy Oil Project	450	2002-2004
Pan Canadian Resources	Christina Lake	SAGD Bitumen Project	590	2000-2002
Petro Canada	MacKay River	SAGD Bitumen Project	290	2000-2002
	Strathcona County	Gasoline De-Sulphurization	130	2001-2003
Petrovera Resources	Lindbergh/Elk Point/Frog Lake/Marwayne	In situ Bitumen Projects	1,200	2000-2010
Ranger Oil Limited	Lindbergh/Wolf Lake/ Elk Point/Cold Lake	In situ Bitumen Projects	225	1996-2003
Shell Canada	Strathcona County	Bitumen Upgrader and Scotford Refinery Modifications	2,100	2000-2002

Announced Major Projects Over $100 Million

Proposed or Under Construction

Company Name	Location	Type of Project	Cost ($millions)	Timing
OIL AND GAS (continued)				
Suncor	Fort McMurray	Production Enhancement	127	1999-2002
	Fort McMurray	Project Millennium - Oilsands Plant Expansion	2,800	1999-2001
	Primrose/Burnt Lake	In situ Bitumen Facilities - Phase 2	100	2000-2001
	RM of Wood Buffalo	"Firebag" In situ Bitumen Recovery Project	750	2002-2005
Syncrude Canada	Fort McMurray	Continuous Improvement Program	1,500	1997-2007
	Fort McMurray	Upgrader Debottleneck II	1,000	1998-2001
Talisman Energy	Alberta Foothills	Exploration and Development	135	2001
	Peace River	Exploration and Development	125	2001
PIPELINES				
Cold Lake Pipleine Limited Partnership	Foster Creek to Bonnyville area to Hardisty	Expansion of Cold Lake Pipeline System	143	2000-2002
Corridor Pipeline Ltd. (Trans Mountain Pipeline)	Muskeg River to Strathcona County	"Corridor" Bitumen Pipeline	700	2000-2003
Enbridge Pipelines Inc.	Alberta to Chicago	Terrace Expansion Pipeline Project	650	1998-2002
	Fort McMurray to Hardisty	Wildrose Pipeline - Phase 2	237	2000-2001
Nova Gas Transmission	Throughout Alberta	Pipeline Capacity Additions	1,000	1999-2003
Williams Energy	Strathcona County	Interconnecting Pipelines	235	2000-2001
PETROCHEMICALS				
Shell Canada	Strathcona County	Hydrogen Manufacturing Plant for Scotford Upgrader	180	2000-2002
Williams Energy	Sturgeon City	Hydrocarbon Liquids Conservation Project	220	2001-2002
FORESTRY				
Ainsworth Lumber Company	South of Grande Prairie	Mill Expansion	128	2001-2002
Weyerhauser Co. Ltd.	County of Grande Prairie	Pulp Mill Upgrades	167	2001-2002

Announced Major Projects Over $100 Million

Proposed or Under Construction

CompanyName	Location	Type of Project	Cost ($millions)	Timing
COMMERCIAL, RETAIL AND REAL ESTATE CONSTRUCTION				
Cameron Corporation/ Grosvenor International Canada Ltd.	Edmonton	Retail Complex	250	1997-2005
East Village Partnership Group	Calgary	Re-development of East Village	1,200	2001-2010
ONTREA	Calgary	Chinook Centre Expansion	300	1997-2001
Pauls Properties Corp/ GE Pension	Calgary	"Princeton" Apartment Condominium Development	125	2000-2004
Stone Creek Properties	Canmore	Silver Tip Hotel/Resort Complex	270	1995-2015
Tsuu T'ina Nation/PCL Construction Management	MD of Rocky View	Casino/Housing/Shopping/Golf Training Facility	700	2001-2015
OTHER				
Alberta Children's Hospital Foundation/Calgary RHA	Calgary	New Children's Hospital	220	2001-2005
Alberta Transportation	Alberta	Highway Twinning Project	1,400	1998-2007
	Edmonton	Anthony Henday Drive Extension to Calgary Trail	220	2000-2005
Bell Intrigna/Bell Nexxia/Axia Net Media & Partners	Across Alberta	Fibre-optic Communications Grid	300	2001-2003
Calgary Airport Authority	Calgary	Airport Improvements	650	1998-2005
Canadian National Railways	Edmonton to Ontario	Railway Upgrade	100	1997-2002
City of Calgary	Calgary	LRT Extensions	181	1999-2003
	Calgary	Deerfoot Trail Extension	134	2000-2002
City of Edmonton	Edmonton	LRT Extension to Jubilee Auditorium	109	2002-2004
Edmonton Regional Airport Authority	Leduc County	International Airport Terminal Modifications	265	1998-2002
Mount Royal College	Calgary	Campus Development Phases I and 2	150	2000-2005
University of Calgary	Calgary	Health Research Innovation Centre	110	2001-2003
Various Irrigation Districts	Southern Alberta	Irrigation Systems	600	1997-2006

Announced Major Projects Over $100 Million

Proposed or Under Construction

Company Name	Location	Type of Project	Cost ($millions)	Timing
POWER PLANTS*				
AES Calgary Inc.	MD of Rocky View (east of Calgary)	Natural gas fired Power Station (525 MW)	450	2001-2003
Atco Power	Near Fort McMurray	Cogeneration Power Plant (172 MW)	200	2001-2003
Atco Power/Shell Canada/ Air Products Canada	Strathcona County	Cogeneration Power Plant (150 MW)	140	2000-2002
EPCOR	Parkland County	Genessee Power Plant Expansion (400 MW)	500	2002-2004
Nexen/Pan Canadian Petroleum	MD of Rocky View	Natural Gas Fired Cogeneration Plant (106 MW)	100	2001
Pan Canadian Petroleum Ltd.	Wheatland County (SE of Strathmore)	Natural Gas Fired Cogeneration Plant (106 MW)	100	2001
TransAlta Utilities	Parkland County	Expansion of Keephills Coal-fired Cogeneration Plant (900 MW)	1,800	2002-2005
	Parkland County	Efficiency Update at Sunshine Thermal Plant (218 MW)	200	2001-2003
TOTAL			**31,366**	

* Note that this excludes projects already included in oil sands developments (808 MW) and other major projects (920 MW) which are being proposed, but which are not yet officially announced.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Alberta Advantage

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Alberta Advantage

The Alberta Advantage means greater opportunities for families and businesses ...

- a strong and vibrant economy
- a young, skilled and productive workforce
- a strong science and technology culture
- a highly entrepreneurial and competitive business community
- the lowest overall tax level of any province in Canada, and no sales tax
- an efficient and modern infrastructure
- an abundance of high-quality natural resources
- clean air and water, breathtaking scenery and culturally diverse communities with a quality of life second to none
- a government committed to less regulation
- a fiscally responsible government, which is paying down debt and reducing taxes

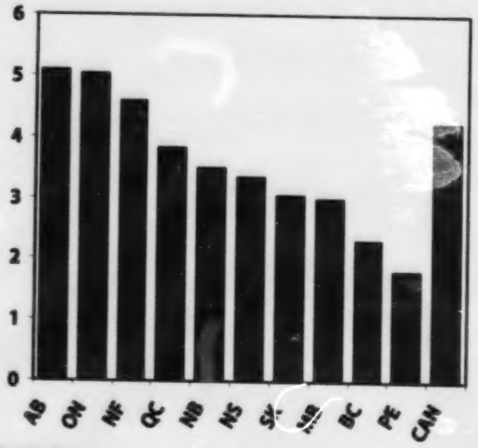
The appeal of low taxes, high employment, and a growing economy continues to attract thousands of people to Alberta. The rest of this document is a detailed look at why "Alberta is the place to be." Highlighted are some key elements of the Alberta Advantage: the economy, the people, taxes, operating costs, quality of life, and sound financial management.

The Economy
STRONG AND DIVERSIFIED

Alberta has had the fastest growing economy in Canada over the past five years, and Alberta's economic growth is expected to continue to be robust in the future. An abundance of natural advantages has been the foundation of our flourishing economy. Our positive investment climate has allowed Alberta businesses to compete successfully around the world. Our increasingly diversified economy has translated into a healthy job performance, even when commodity prices have been unfavourable.

REAL ECONOMIC GROWTH

1996-2000 Average Annual Growth in GDP (per cent)*

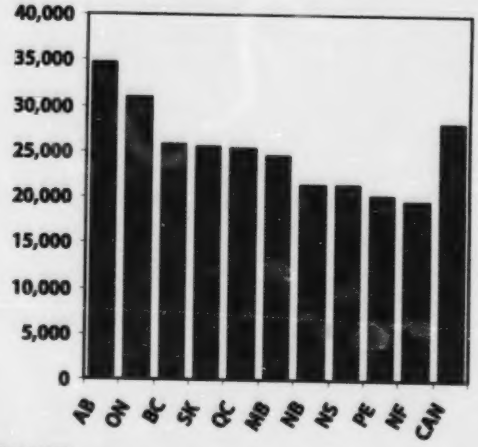


* 2000 estimated
Source: Statistics Canada, Alberta Finance and the Conference Board of Canada

- Alberta's economic growth rate was the highest in Canada over the past five years.
- In 2000, Alberta's real output grew by an estimated 6.1%.

REAL GDP PER CAPITA

1996-2000 Annual Average (dollars per capita)*

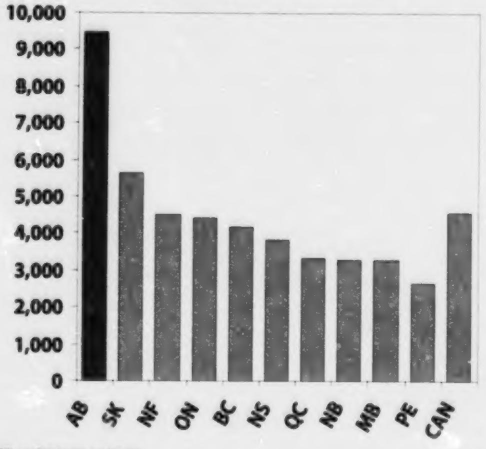


* 2000 estimated
Source: Statistics Canada, Alberta Finance and the Conference Board of Canada

- Alberta has the highest real gross domestic product per capita among the provinces.
- Since 1996, Alberta's real gross domestic product per capita has averaged 12% higher than second place Ontario.

INVESTMENT PER CAPITA

1996-2000 Annual Average (dollars per capita)*



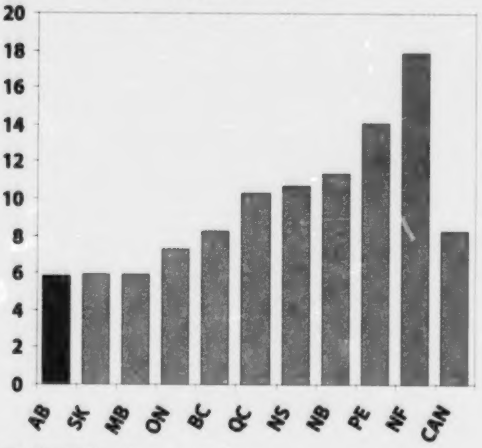
* 2000 preliminary estimate

Source: Statistics Canada

- For decades, Alberta has led all provinces in total private sector investment per person.
- Over the past five years, there is a difference of $3804 per capita between Alberta and the next highest province, Saskatchewan.

UNEMPLOYMENT RATE

1996-2000 Annual Average (per cent)

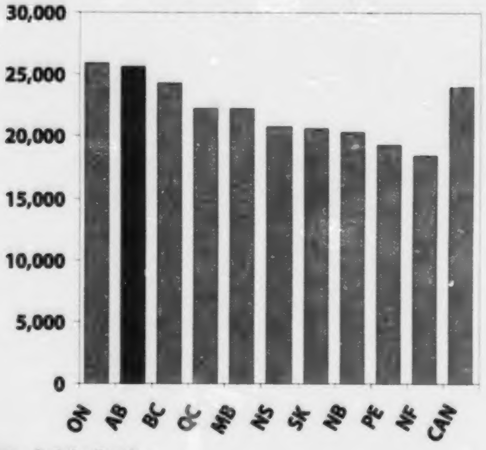


Source: Statistics Canada

- Over the past five years, Alberta's average unemployment rate of 5.8% was the lowest among the provinces and well below the national average.
- In December 2000, Alberta's unemployment rate of 4.8% was the lowest in Canada.

PERSONAL INCOME

1995-99 Annual Average (dollars per capita)

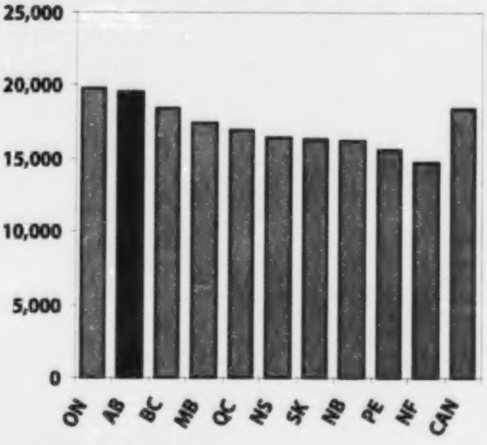


Source: Statistics Canada

- Over the past five years, Albertans have enjoyed the second highest personal income per capita, behind only Ontario.
- In 1999, Alberta had the highest personal income per capita among provinces, $127 above second place Ontario.

PERSONAL DISPOSABLE INCOME

1995-99 Annual Average (dollars per capita)*



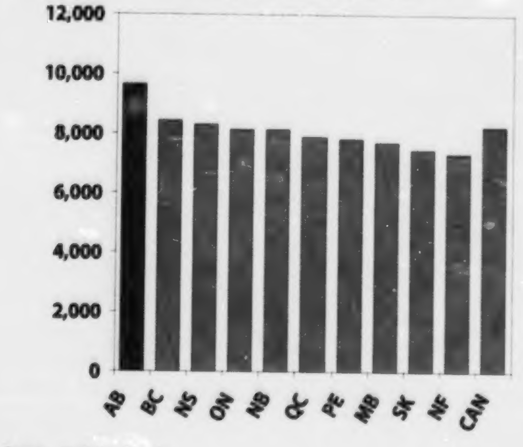
* Personal income less direct taxes.

Source: Statistics Canada

- Over the past five years, Alberta has ranked second highest in personal disposable income per capita.
- In 1999, Alberta had the highest personal disposable income per capita among provinces, $16 above second place Ontario.

RETAIL SALES PER CAPITA

1996-2000 Annual Average (dollars per capita)

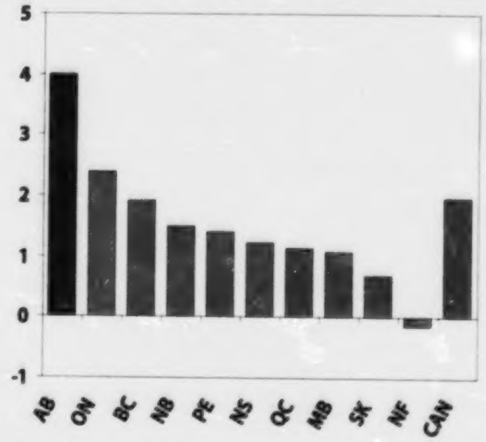


Source: Statistics Canada

- Alberta continues to lead all provinces in retail sales per capita.
- Alberta's growth of 8.9% in retail sales for 2000 surpassed all other provinces and was Alberta's second strongest annual retail sales gain in the last 10 years.

BUSINESS GROWTH

1996-2000 Annual Average (per cent growth in # of firms)*



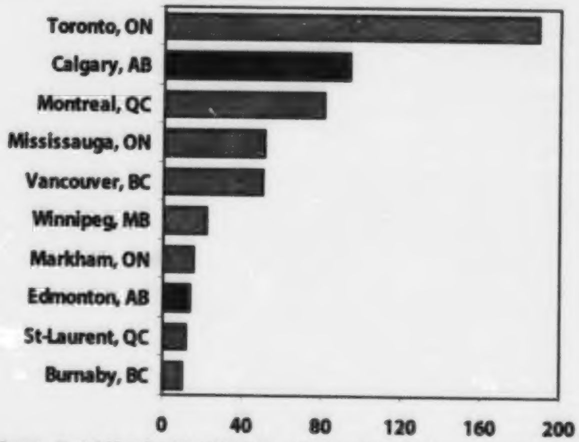
* Businesses include all incorporated and unincorporated firms, except self-employed and single person firms.

Source: Statistics Canada

- Since 1996, the growth in the number of businesses in Alberta has been the fastest of any province in Canada.
- In 2000, the number of businesses in Alberta increased by 3.6%, by far the strongest growth among provinces.

CORPORATE HEADQUARTERS

Top Ten Head Office Cities, 2000 (number of head offices)



Source: Financial Post Top 500 and Next 300, and Calgary Business Information Centre.

- Calgary has the second highest number of head offices of any city in Canada.
- Toronto has approximately 5 times the population of Calgary, so on a per capita basis, Calgary exceeds any other city by far.

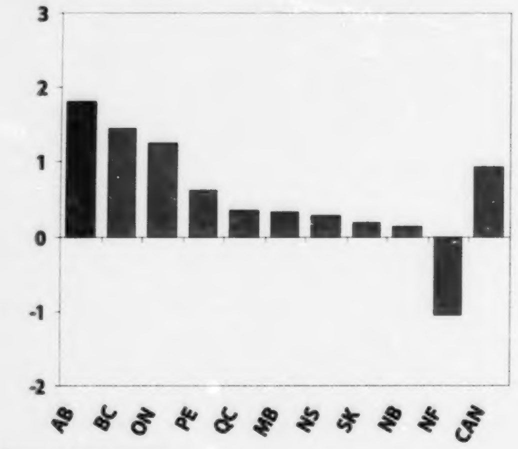
The People

YOUNG, HIGHLY TRAINED AND PRODUCTIVE

Albertans are among the most highly educated in the world. As a result, Alberta's employment and productivity thrive. As thousands of people migrate to Alberta each year from the rest of Canada, the province gains a variety of skilled and talented people to add value to our diverse economy and society.

POPULATION

1996-2000 Average Annual Growth (per cent)

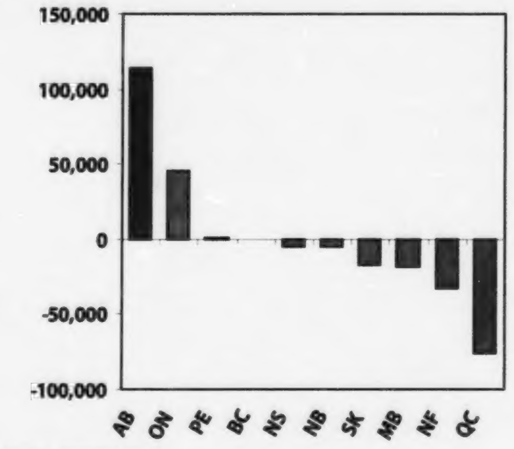


Source: Statistics Canada

- Over the past five years, Alberta has had the fastest growing population among the provinces.
- In 2000, Alberta's population grew by 1.28%, a close second to Ontario at 1.32%.

NET INTERPROVINCIAL MIGRATION

July 1, 1996 to June 30, 2000

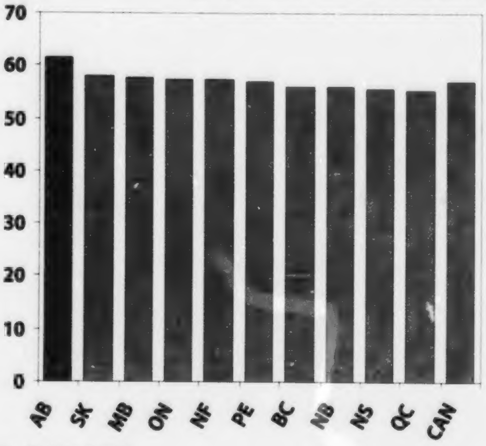


Source: Statistics Canada

- Compared to all other provinces, Alberta has had the highest number of interprovincial migrants over the past five consecutive years.
- From July 1999 to June 2000, a net of 11,793 migrants came to Alberta from other provinces. Only Ontario had a larger number of interprovincial net migrants.

SHARE OF POPULATION UNDER 40

1996-2000 Annual Average (per cent of total population)

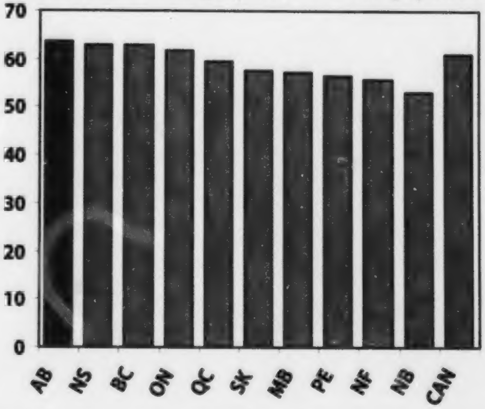


Source: Statistics Canada

- Alberta has the youngest population among the provinces.
- About 61% of Albertans are under the age of 40.

POPULATION AGED 25-54 WITH POST-SECONDARY EDUCATION

1996-2000 Annual Average (per cent of total population)*



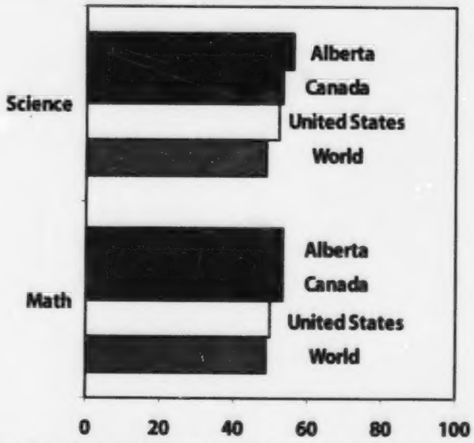
* Includes some post-secondary, post secondary certificates, diplomas, and university degrees.

Source: Statistics Canada

- Alberta has the best educated workforce.
- Approximately 64% of Alberta's population aged 25 to 54 has post-secondary education.

GRADE 8 STUDENT PERFORMANCE

(1999 Achievement Results - Average Scale Score)

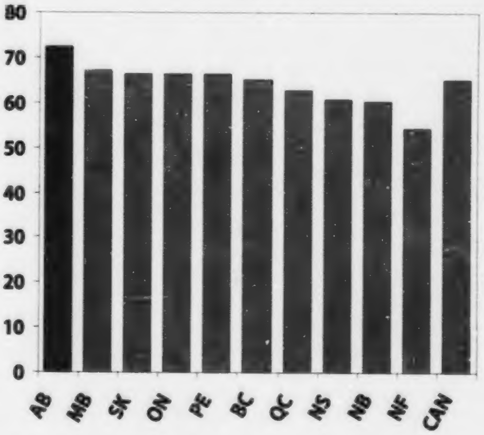


Source: Third International Mathematics and Science Study (TIMSS), 1999

- For grade 8 science, students in Alberta are ranked among the top in the world. None scored significantly higher than Alberta.
- Only six out of 38 countries and the province of Quebec scored significantly higher than Alberta in grade 8 math.

PARTICIPATION RATE

1996-2000 Annual Average (per cent)*



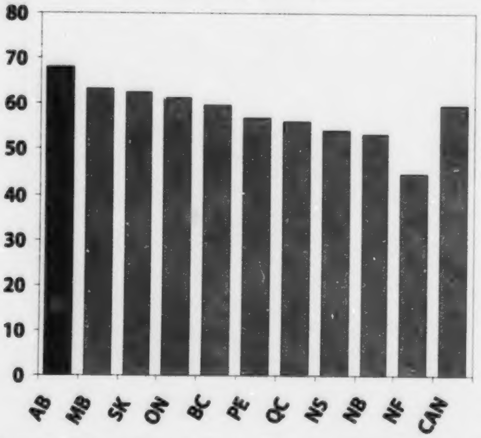
* The participation rate is the total of those employed and looking for work aged 15 and over, divided by the population aged 15 and over.

Source: Statistics Canada

- Alberta has the highest labour force participation rate in Canada, 5.2 percentage points higher than second place Manitoba.

EMPLOYMENT TO POPULATION RATIO

1996-2000 Annual Average (per cent)*

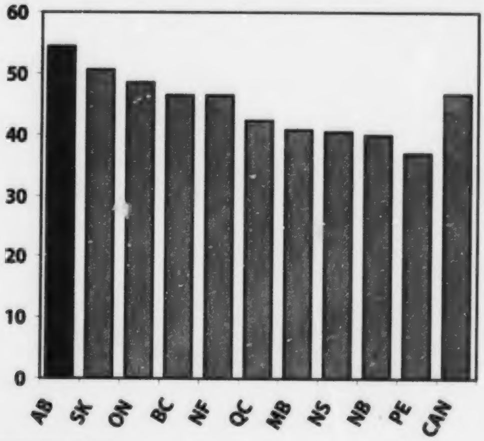


* The employment/population ratio is the total of those employed divided by the population aged 15 and over.
Source: Statistics Canada

- Compared to other provinces, more Albertans are working relative to the size of our working age population, 5 percentage points above the second place province, Manitoba.

LABOUR PRODUCTIVITY

1996-2000 Annual Average ($ real GDP per hr. worked)*

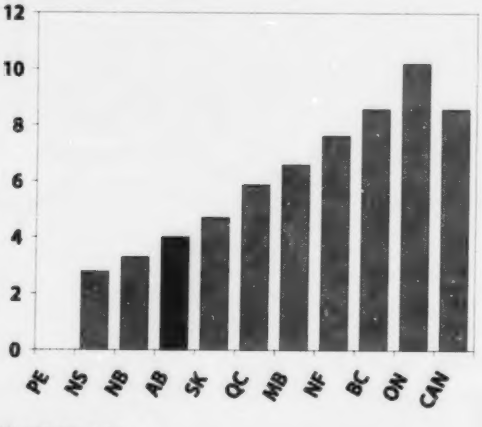


* 2000 projected rates.
Source: Statistics Canada, Alberta Finance and the Conference Board of Canada

- Compared with the other provinces, Albertans are the most productive, as measured by real GDP dollars produced per hour worked.

LABOUR RECORD

1996-2000 Annual Average (person days lost/10,000 person days worked)*

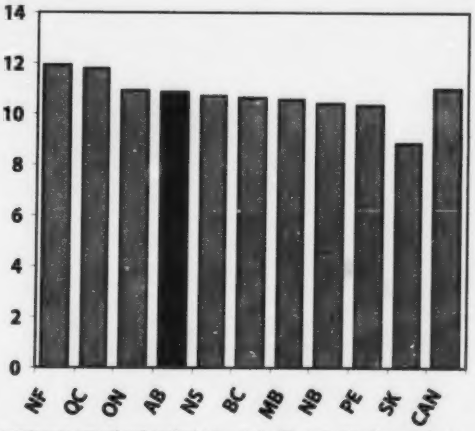


* 2000 preliminary rates
Source: Statistics Canada and Human Resources Development Canada

- Alberta's labour record is better than that of Ontario, Quebec and the other Western provinces, in terms of person days lost due to labour disputes.

RESEARCH & DEVELOPMENT EMPLOYMENT

1996-2000 Annual Average (per cent of employed labour force)*



* Occupations in natural and applied sciences, health, and related occupations predominantly involved in R&D activities.
Source: Statistics Canada

- Overall, the percentage of Alberta's labour force employed in research and development (R&D) occupations ranks fourth among the provinces.
- Alberta has the highest percentage of the workforce dedicated to R&D activities in Western Canada.

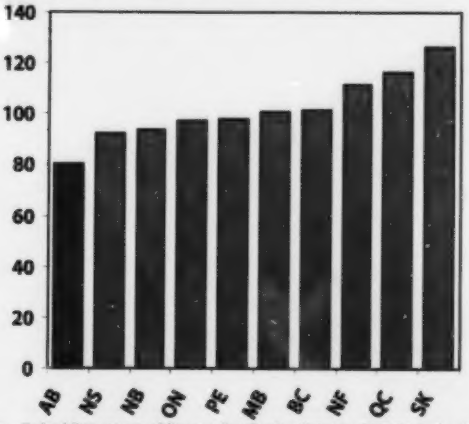
The Lowest Tax Load

LEAVING MORE DOLLARS IN THE POCKETS OF ALBERTANS

Alberta leads the way with the lowest overall taxes in Canada. We are the only province that does not have a provincial retail sales tax. In addition, the province does not have any capital or general payroll taxes. This leaves more money in the pockets of Albertans and Alberta businesses.

TOTAL PROVINCIAL & MUNICIPAL TAX LOAD

2000-01 (per cent of the Canadian average)

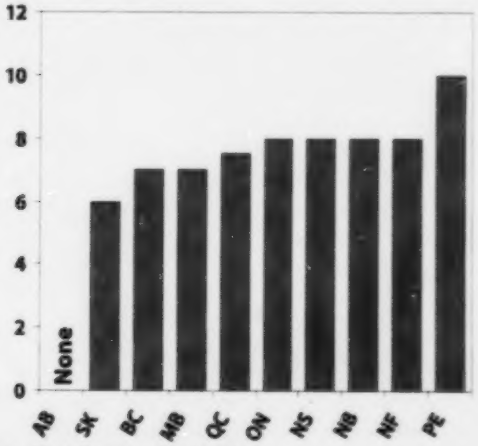


Source: Federal Department of Finance, Equalization Estimates 2000-01, 2nd estimate.

- Alberta has by far the lowest combined provincial and municipal tax burden among the provinces, at 80% of the national average.
- The Alberta government is committed to strengthening Alberta's tax advantage.

RETAIL SALES TAX RATES

2001 (per cent)

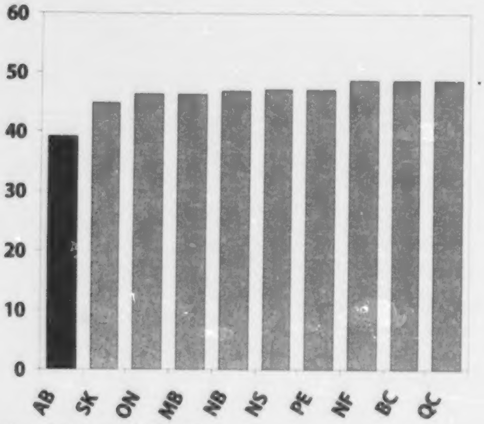


Source: Alberta Finance, as of April 4, 2001

- Alberta has no retail sales tax.

COMBINED TOP MARGINAL PERSONAL INCOME TAX RATES

2001 (per cent)



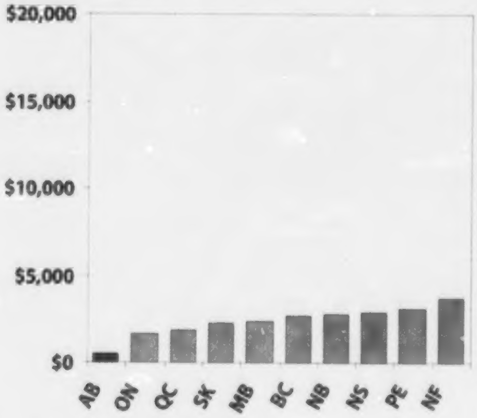
Source: Alberta Finance, as of April 4, 2001

- Alberta has the lowest top marginal personal income tax rate among the provinces at 39% - 29% federal and 10% provincial.
- In Alberta, top income earners keep 61% of their last dollar earned.

FAMILY EARNING $30,000

Taxes and Health Care Insurance Premiums

2001 (One-income family with two children)



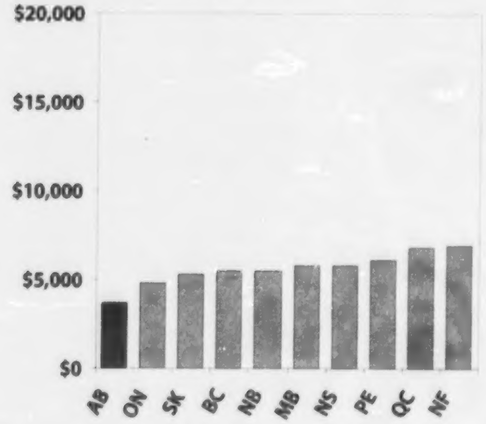
Source: Alberta Finance, as of April 4, 2001

- This graph and following two compare provincial income, sales, payroll, fuel and tobacco taxes, and health care insurance premiums payable by a family as of April 2, 2001.
- In Alberta, a typical one-income family earning $30,000 pays only $531, approximately 79% less in combined taxes and health care insurance premiums than the average of the other provinces.

FAMILY EARNING $60,000

Taxes and Health Care Insurance Premiums

2001 (Two-income family with two children)



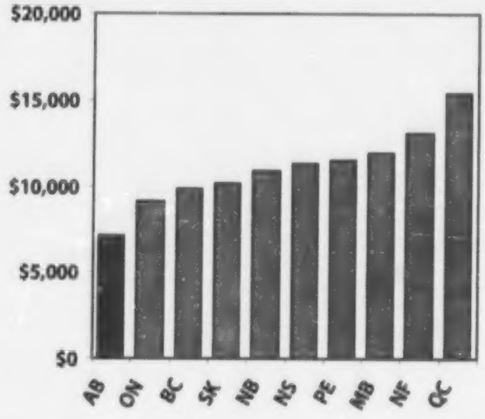
Source: Alberta Finance, as of April 4, 2001

- In Alberta, a typical two-income family earning $60,000 pays approximately 38% less in combined taxes and health care insurance premiums than the average of the other provinces.

FAMILY EARNING $100,000

Taxes and Health Care Insurance Premiums

2001 (Two-income family with two children)

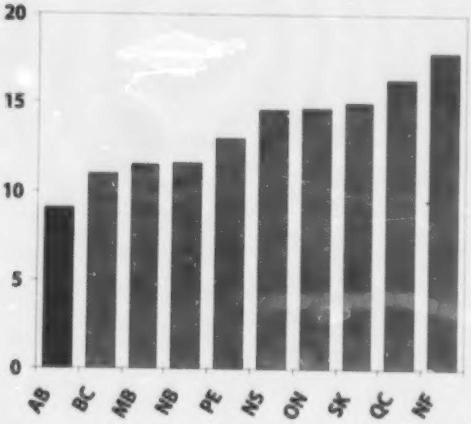


Source: Alberta Finance, as of April 4, 2001

- In Alberta, a typical two-income family earning $100,000 pays approximately 38% less in combined taxes and health care insurance premiums than the average of the other provinces.

GASOLINE TAX RATES

2001 (cents per litre)*



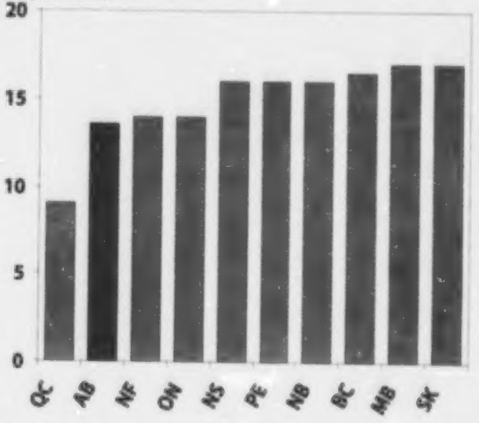
* For NB, NS, QC and NF, provincial sales tax is levied on top of fuel tax.

Source: Alberta Finance, as of April 4, 2001

- Alberta has the lowest gasoline tax rate among the provinces, 2 cents per litre below British Columbia, the second lowest province, and over 8.8 cents per litre below Newfoundland.

PROVINCIAL CORPORATE INCOME TAX RATES

2001 (per cent)*



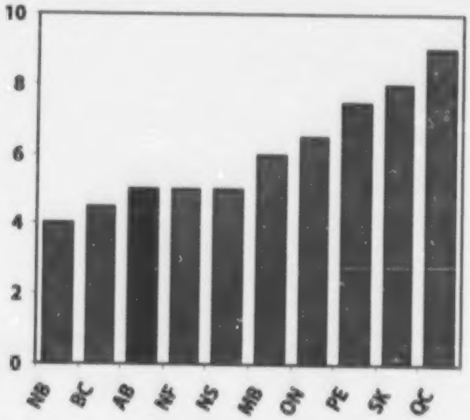
* SK, ON, PE and NF reduce their corporate income tax rates for manufacturing and processing industries.

Source: Alberta Finance, as of April 4, 2001

- As of April 1, 2001, Alberta has the second lowest general corporate income tax rate.
- Alberta's general corporate tax rate will be reduced to 8% by April 1, 2004, as affordable.
- Alberta businesses also benefit because Alberta has no retail sales tax, no capital tax and no general payroll tax.

PROVINCIAL SMALL BUSINESS CORPORATE INCOME TAX RATES

2001 (per cent)*



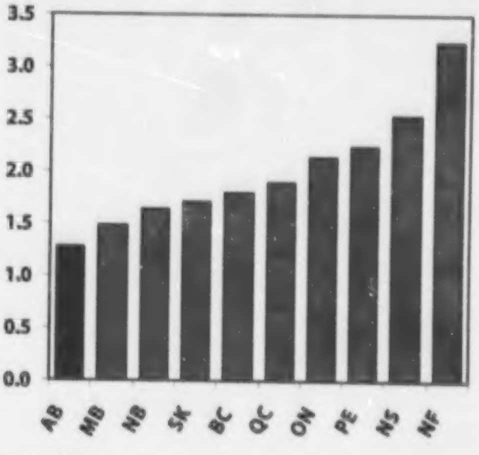
* On July 1, 2001, SK's rate drops from 8% to 6%.

Source: Alberta Finance, as of April 4, 2001

- As of April 1, 2001, Alberta's small business corporate income tax rate of 5% is tied for the third lowest in Canada.
- Alberta's small business tax rate will be reduced to 3% by April 1, 2003, as affordable.

WORKERS' COMPENSATION PREMIUMS

2001 (dollars per $100 of gross payroll)*



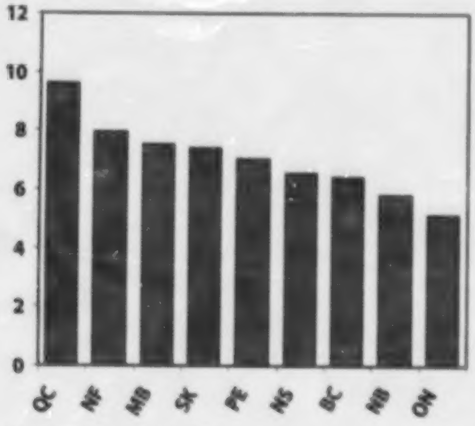
* Provisional rates

Source: Association of Workers' Compensation Boards of Canada

- Alberta's WCB premium rate remains the lowest among the provinces, 14% lower than second place Manitoba.
- Alberta, British Columbia, Saskatchewan, Manitoba and New Brunswick have no unfunded WCB liabilities.

ALBERTA'S TAX ADVANTAGE

2001 (billions of dollars)



Source: Alberta Finance, as of April 4, 2001

- This graph shows the total additional provincial taxes that individuals and businesses would pay if Alberta had the same personal and corporate taxes as in other provinces.
- Albertans would pay over $5 billion more if we had to pay Ontario's taxes, and over $9.5 billion more if we had to pay Quebec's taxes.

Low Operating Costs

FOR BUSINESSES AND HOUSEHOLDS

When it comes to cost of living, the province of Alberta is an attractive place to live and do business. Costs are more than competitive with the rest of Canada and the United States. In addition, our combination of low taxes, a skilled workforce and a well-established infrastructure provides a further advantage for Alberta industries.

LOWEST ANNUAL LOCATION-SENSITIVE COSTS

1999

Largest Cities	Rank*
Quebec City, QC	1
Edmonton, AB	**2**
Montreal, QC	3
Calgary, AB	**4**
Winnipeg, MB	5
Toronto, ON	6
Vancouver, BC	7
Jacksonville, FL	8
Dallas-Fort Worth, TX	9
San Diego, CA	10

* Top 10 rankings for the largest North American cities by population.
Source: KPMG, March 1999

- Based on KPMG's comparison study of business costs, Edmonton and Calgary are ranked in the top four for having the lowest overall location-sensitive costs in North America.
- Location-sensitive costs include labour, lease, electricity, transport and telecommunications costs, interest, depreciation, and taxes.

LOWEST INITIAL INVESTMENT COSTS

1999

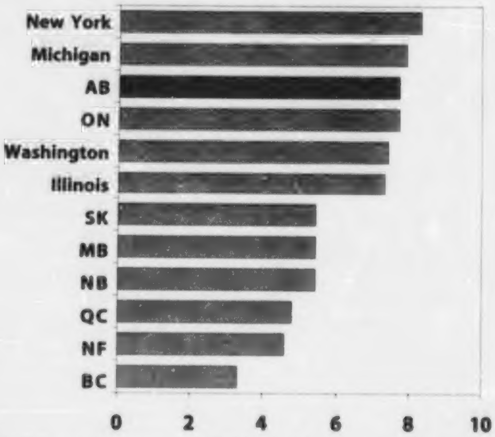
Largest Cities	Rank*
Quebec City, QC	1
Edmonton, AB	**2**
Montreal, QC	3
Winnipeg, MB	4
Dallas-Fort Worth, TX	5
Toronto, ON	6
Calgary, AB	**7**
Jacksonville, FL	8
Vancouver, BC	9
San Diego, CA	10

* Top 10 rankings for the largest North American cities by population.
Source: KPMG, March 1999

- Edmonton ranks second among large North American cities with respect to initial investment costs, which consist of land acquisition and building construction costs.

INVESTMENT CLIMATE

September 19, 2000 (scale from 0 to 10)

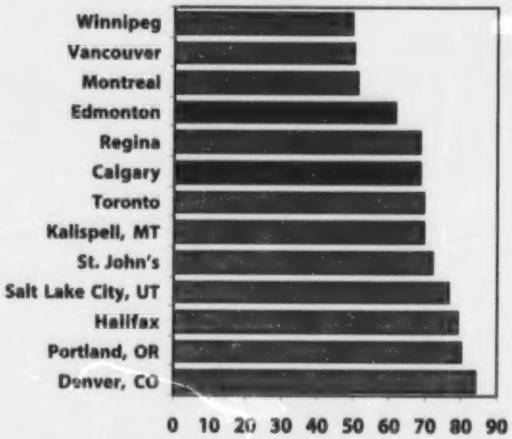


Source: Fraser Institute, Summer 2000 Survey of Senior Investment Managers

- Based on the Fraser Institute's 2000 Survey of Senior Investment Managers, Alberta tied with Ontario for the best investment climate in Canada, 2.3 points above the next highest provincial score.
- Alberta also maintains a competitive investment climate with the United States.

ELECTRICITY RATES

As of October 2000 (dollars/month)*



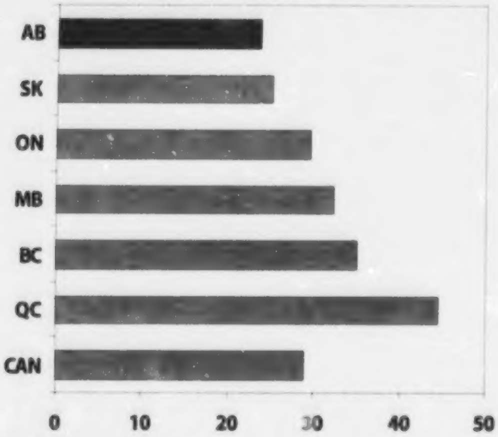
* Average monthly residential electricity charge, based on 750 Kwh/month power consumption. Includes Rate Riders, PST and State Sales Tax.

Source: Survey of Canadian Electricity Bills (Manitoba Hydro), Pacific Power, and Public Service Company of Colorado.

- Alberta's residential electricity prices were competitive with the rest of Canada and below rates in the United States in October 2000.
- Currently, the Alberta Government is implementing rebates to protect consumers from short-term price pressures in 2001.

NATURAL GAS RATES

2000 Annual Average (cents per cubic metre)*



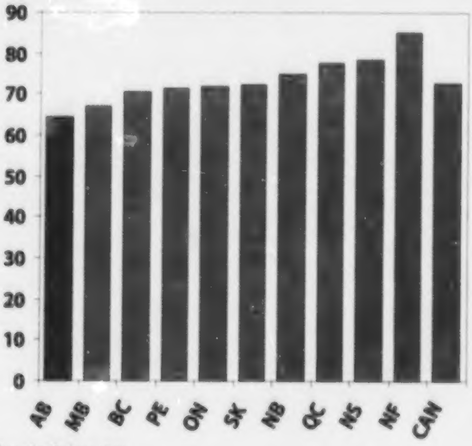
* January to November only.

Source: Statistics Canada

- During the first eleven months of 2000, Alberta's residential natural gas rates were the lowest in Canada.
- The Alberta Government has introduced rebate programs to assist Albertans with higher costs this winter.

GASOLINE PRICES

2000 Annual Average (cents per litre)*



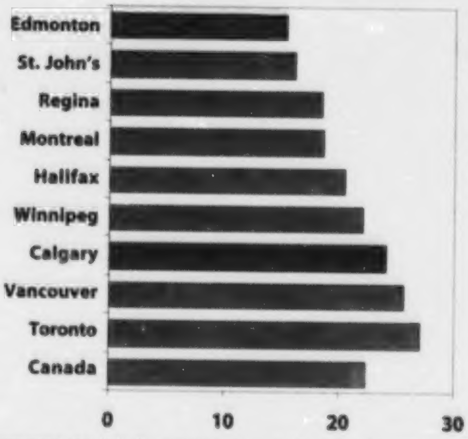
* Regular unleaded gasoline.

Source: Statistics Canada

- Alberta continues to have the lowest gasoline prices in Canada, ranging from approximately 3 to 21 cents per litre below the other provinces.

OFFICE RENTAL RATES

2000 (dollars per square foot)*



* Average gross rental rates, including average taxes, operating costs and tenant inducements for all classes of space.
Source: Royal LePage

- Edmonton has the lowest overall office rents among major Canadian cities.

AIRPORT CONVENIENCE

1999*

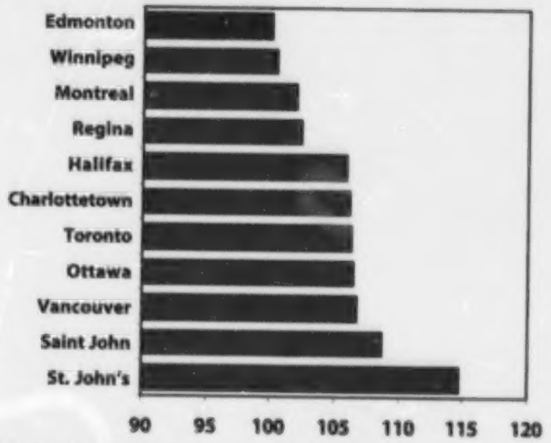
Airports	Rank
Vancouver, BC	1
Cincinnati, OH	2
Minneapolis, MN	3
Atlanta (Hartsfield), GA	4
Calgary, AB	**5**
Seattle, WA	6
Orlando, FL	7
Houston, TX	8
Dallas-Fort Worth, TX	9
Portland, OR	10

* Edmonton not included in survey.
Source: 1999 International Air Transportation Association (IATA) Airport Monitor

- In 1999, Calgary's airport convenience remains competitive, in fifth place among North American cities, according to the International Air Transport Association Air Monitor's ranking of North American airports.

DAILY LIVING PRICE INDEX

December 2000*

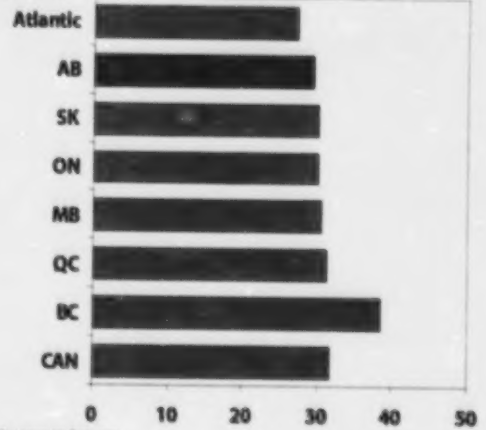


* Converted to index of Edmonton = 100. No data for Calgary.
Source: Statistics Canada

- Residents in Edmonton pay the lowest costs for daily living goods compared to other major Canadian cities. A basket of daily living goods that costs $100 in Edmonton would cost $115 in St.John's.
- Daily living items include food, transportation, household operations and furnishings, health/personal care, recreation and tobacco/alcohol products.

HOUSING AFFORDABILITY

2001* (home ownership costs as a % of pre-tax household income)

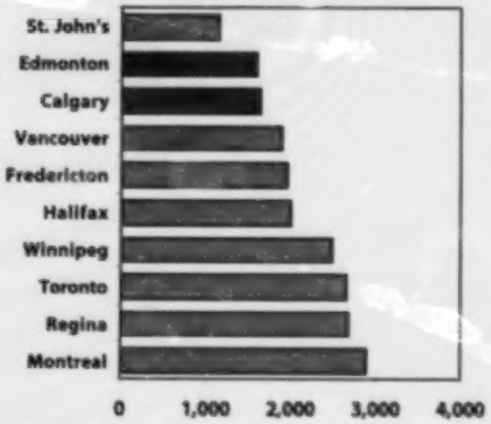


* 1st quarter forecast
Source: Royal Bank

- Home ownership affordability in Alberta is the second best in Canada.
- This reflects both high and rising household incomes and still reasonable house prices.

NET HOME PROPERTY TAXES

2000 (dollars)*



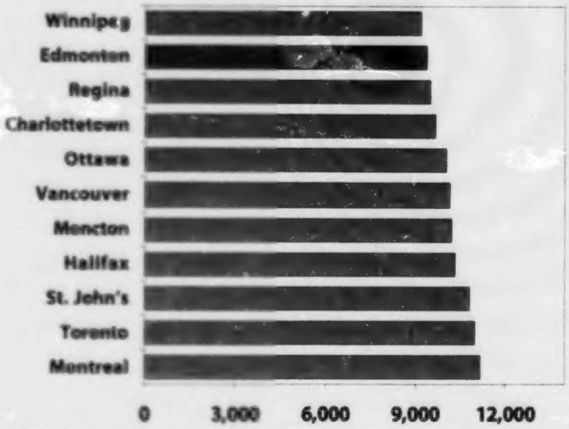
* Includes municipal, regional and school tax, net of homeowner grants or credits for a single family house.

Source: The City of Edmonton, Planning and Development

- Edmonton's and Calgary's property taxes on a typical house are among the lowest in Canada.

CAR OWNERSHIP COSTS

2001 Annual (dollars)*



* Based on 4-year/96,000 km retention cycle of a 2001 Ford Taurus. Costs include general operating, insurance, depreciation, taxes and licence fees. No data for Calgary.

Source: Runzheimer Canada Inc.

- According to a national auto-owner survey, Edmonton is the second least expensive place in Canada to own and operate a car.

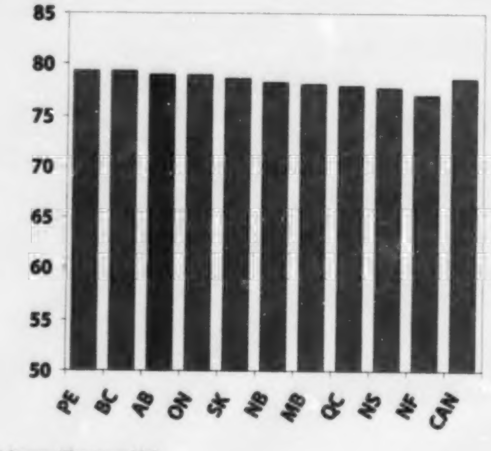
Quality of Life

OUTSTANDING

Each year, thousands of people from the rest of Canada are drawn to this province, well known for its exceptional standard of living. Alberta is a prosperous region, where residents share a rich natural environment, and enjoy our arts, culture and recreation opportunities.

LIFE EXPECTANCY

1997 (years)*



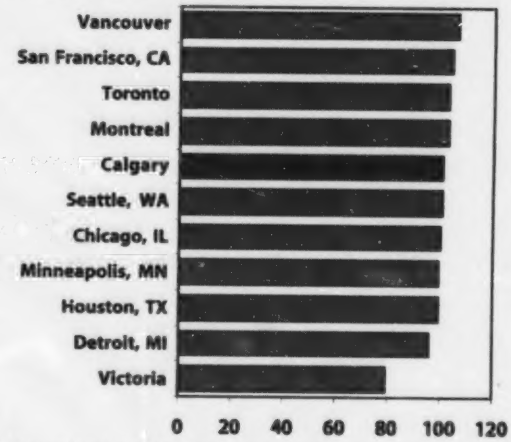
* Average life-span at birth.

Source: Statistics Canada

- In 1997, Alberta tied for third highest life expectancy at birth among provinces.
- Albertans can expect to enjoy a longer life than the average Canadian.

QUALITY OF LIVING INDEX

1999 (New York = 100.0)*



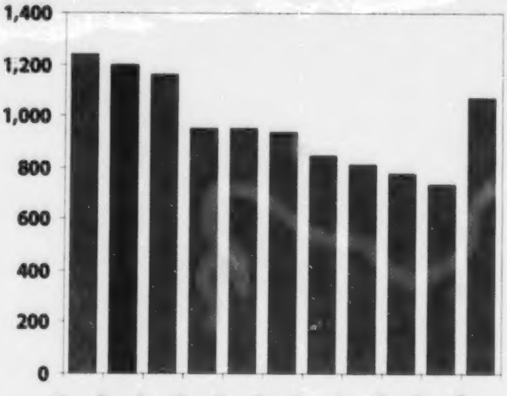
* 39 criteria based on political, social, economic, cultural, and natural environment; health; education; transportation; recreation; consumer goods; housing; and public services. Edmonton not included in survey.

Source: William M. Mercer Companies LLC

- Based on an analysis of "Quality of Living" in 216 major cities in the world, Calgary ranks fourth highest in Canada and beats most major U.S. cities.

EXPENDITURE ON RECREATIONAL ACTIVITIES

1999 Average Expenditure Per Household (dollars per year)*



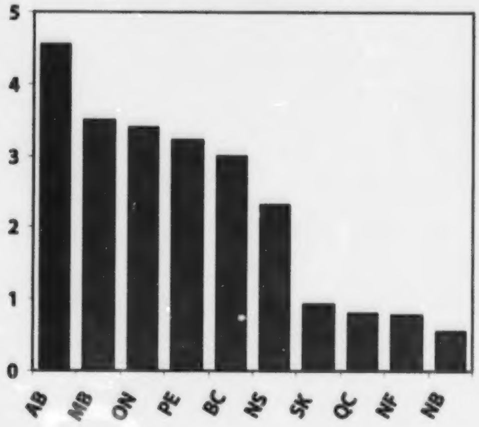
* Includes expenditure on recreation and entertainment.

Source: Statistics Canada

- Albertans "work hard and play hard". With the highest average household income of Canadian provinces, Albertans' expenditure on sports, performing arts, and other recreational and entertainment activities is the second highest in Canada.

SUPPORT FOR PERFORMING ARTS

1998-99 Private Sector Donations (dollars per capita)*



* Includes fundraising and donations. Survey based only on professional performing arts companies with budgets of $100,000 or more.

Source: The Council for Business and The Arts in Canada (CBAC)

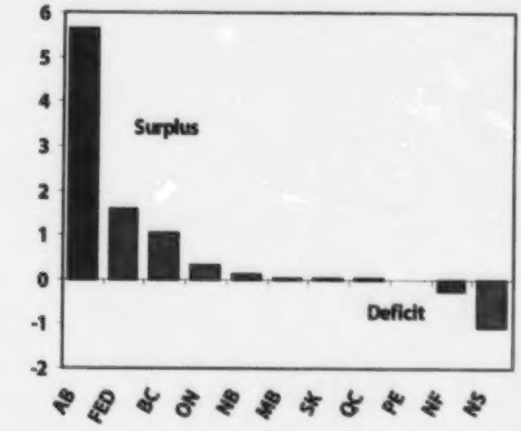
- Alberta continues to stay at the top for private sector support of the performing arts, according to the most recent data.

The Alberta Government

STREAMLINED, ACCOUNTABLE, AND FISCALLY RESPONSIBLE

The Alberta government is committed to responding to the needs of its citizens. Its aim is to work with Albertans to target priorities while ensuring a balanced budget. Alberta continues to attract international attention as the most fiscally responsible government in North America. With the net provincial debt paid off, the Alberta Government has legislated a new debt repayment plan to eliminate its remaining accumulated debt.

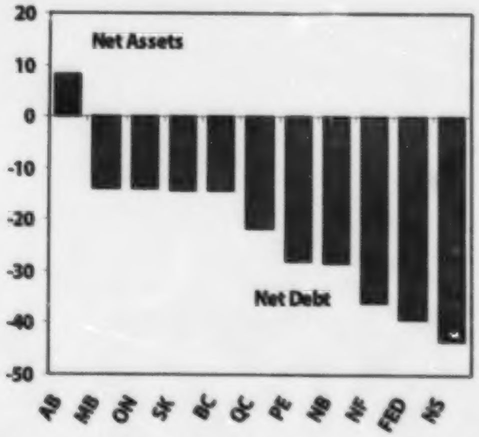
GOVERNMENT SURPLUSES (DEFICITS)
2000-01 (per cent of GDP)



Source: Alberta Finance, as of April 3, 2001

- The Alberta government is committed to living within its means.
- Among the provinces, Alberta has gone from having the highest annual deficit as a percentage of GDP in 1992-93 to the highest surplus as a percentage of GDP in 2000-01.

GOVERNMENT NET ASSETS (DEBT)
March 31, 2001 (per cent of GDP)*

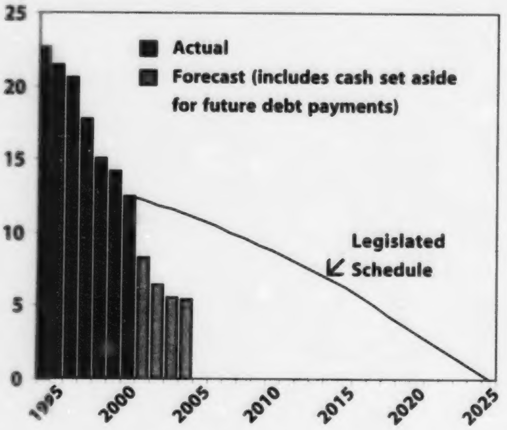


* Estimate based on latest available data. On a consolidated basis where possible. Excludes pension liabilities.
Source: Alberta Finance, as of April 3, 2001

- Alberta's net debt has been eliminated, with total financial assets exceeding total liabilities.
- At March 31, 2001, Alberta's financial assets are forecast to be $25 billion. Total liabilities (excluding pension obligations) are forecast to be $16.3 billion, resulting in net assets of $8.7 billion.

ALBERTA'S ACCUMULATED DEBT

At March 31 (billions of dollars)

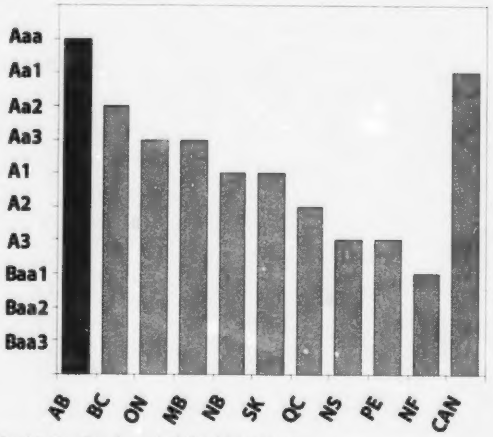


Source: Alberta Finance, as of April 3, 2001

- Alberta is required to eliminate its accumulated debt by no later than 2025.
- The province's accumulated debt is expected to be $6.5 billion at March 31, 2002.

CREDIT RATING

As of April 3, 2001*

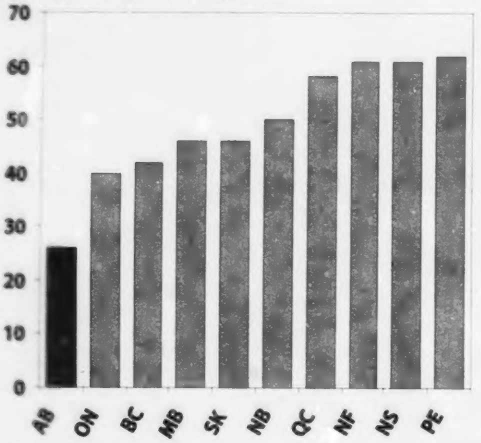


*Moody's Canadian domestic dollar debt ratings.
Source: Moody's Investors Services

- All major rating agencies (Standard and Poor's, Moody's, and Dominion Bond Rating Service) rank Alberta as the top province in Canada for credit worthiness on Canadian dollar debt.

BORROWING COSTS

As of April 3, 2001 (basis points)*

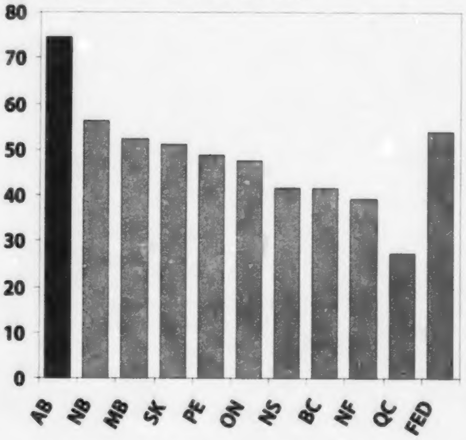


* Interest rates spread relative to 10-year Government of Canada bond rate. A basis point is one-hundredth of a percentage point.
Source: CIBC World Markets

- Alberta has by far the lowest interest rate spread relative to ten-year Government of Canada bonds of any province in Canada.
- Alberta's strong fiscal performance and top credit rating have led to lower borrowing costs for the province, municipalities and local authorities.

BUDGET PERFORMANCE INDEX

March 21, 2000 (scale from 0 to 100)*



* Component ratings include levels of, and changes in spending, tax rates, tax revenues, deficits and debt.
Source: Fraser Institute.

- Based on the Fraser Institute's measure of budget performance, Alberta topped all other provinces and the federal government, by far.
- According to the index, which is based upon the tax and expenditure behaviour of governments, Alberta surpassed second place New Brunswick by 32%.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Alberta Tax Advantage

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Alberta Tax Advantage

LOWER AND BETTER TAXES

Taxes matter. They affect our everyday lives – how much of our earnings we get to keep and how we pay for the public services we value. Albertans want low, fair taxes. They are proud of the fact that they pay the lowest taxes in Canada, while still enjoying excellent public services that contribute to their quality of life.

Taxes also shape our tomorrow. Our choices about taxes today will affect how quickly the economy grows, the skills that people acquire, and the kinds of industries that develop in Alberta. Alberta's economy must provide good jobs and offer opportunities that keep our highly skilled young people in the province. This means that our taxes must be competitive, in Canada and internationally. We cannot look at changes to the tax system solely in terms of how they divide the existing economic pie – we also have to consider how they contribute to economic growth, so that the pie gets bigger and everyone is better off than before.

This year, the government has implemented significant improvements to personal and business taxes. As a result of these changes, Albertans enjoy a fair tax system today that provides for economic growth tomorrow. We have lower, simpler, fairer and more competitive taxes.

> *"This government is committed to seeing that Albertans have more money in their pockets, either on the personal or on the business tax side."*
>
> **Pat Nelson,**
> **Minister of Finance**
> **Calgary Herald,**
> **March 27, 2001**

> *"Alberta's tax cuts have been spectacular and it is trailblazing..."*
>
> **Mary Webb, Senior Economist,**
> **Bank of Nova Scotia,**
> **National Post,**
> **February 19, 2001**

THE SINGLE RATE TAX SYSTEM IS HERE!

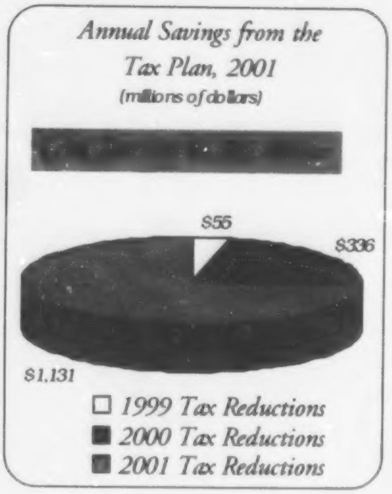
This year our new made-in-Alberta personal income tax system became a reality. Alberta now levies its single rate tax on taxable income instead of calculating tax as a percentage of federal tax. The Alberta Tax Review Committee first recommended this system in 1998 after consulting with Albertans. The government agreed to the changes and targeted January 2002 as the implementation date. The healthy state of our finances has allowed us to accelerate this plan. The single rate tax came into effect January 1st of this year, so Albertans get their tax savings a year ahead of the original schedule.

Not only are Albertans getting the tax savings sooner, they are getting bigger savings than originally planned. The Committee recommended a tax system with an 11% rate and basic personal and spousal exemptions of $11,620. In May 2000, the government reduced the rate to 10.5% and increased the exemptions to $12,900. But our financial situation allowed for even more cuts on an affordable basis – in January, we announced another reduction to the single rate, this time to 10%.

> *"...if we want to have better taxes, we must strike a good compromise between fairness and economic efficiency."*
>
> **Pierre Fortin,**
> **"Less Taxes and Better Taxes",**
> **February 2000**

At the same time, the government announced increases to other credits. The disability tax credit increases from $4,293 to $6,000, the caregiver and infirm dependent credits jump from $2,386 to $3,500, and the part-time and full-time education credits double to $120 and $400 per month respectively.

The single rate tax is the final step in the tax plan that we began three years ago. In 1999, we matched federal increases to the basic and spousal exemptions. Last year, we paralleled federal reductions and eliminated the 8% surtax. With the introduction of the single rate tax, total personal income tax cuts will exceed $1.5 billion, or 23%.


Annual Savings from the Tax Plan, 2001
(millions of dollars)

COMPETITIVE AND FAIR

In addition to immediate tax savings, Albertans will see a future economic pay-off from the tax changes we make today. The analysis in Budget '99 indicates that by 2006, Alberta's real GDP is expected to be about 1.7%, or $2.3 billion, higher than it would have been without the tax changes. Employment will be about 35,000 greater.

The new tax system rewards initiative by reducing the tax bite that comes with earning more income. Alberta's top marginal rate, including federal and provincial taxes, has dropped from 43.7% in 2000 to 39%, the lowest in Canada. When people see less of their hard-earned dollars going to the government and more staying in their wallets, they are willing to work harder and invest more in education and training. Aside from the tax savings, Albertans will benefit from the economic growth that results when people see larger rewards for their work effort and education.

The new tax system will help attract and retain the kind of workforce that our economy needs to prosper. In today's economy, the most important asset of many businesses is the knowledge of their employees. If Alberta wants to encourage knowledge-based businesses, it must be a place where highly skilled, highly mobile workers want to live. Low, competitive taxes are an important reason why talented workers choose to work here. Without low taxes, we risk losing our own highly educated people to places that reward them more for their abilities.

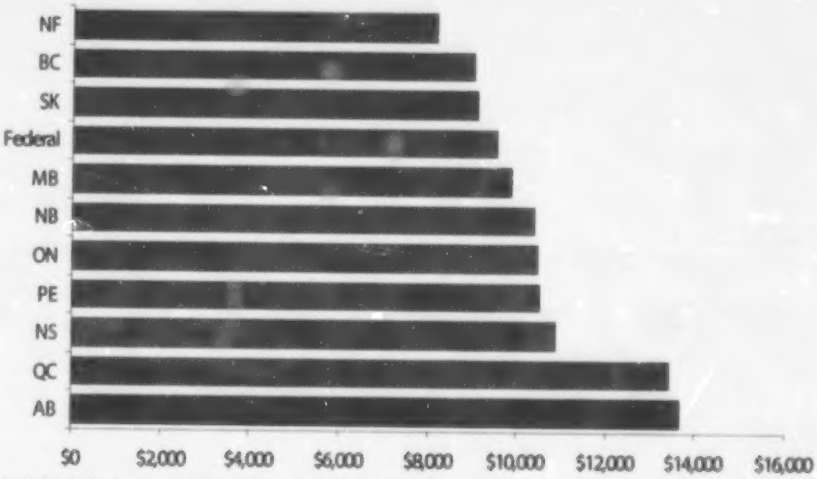
"... thinking someone else should continue to shoulder an unfair share because they worked harder to get ahead is not a solution."

Ken Derpack,
Edmonton Sun,
January 9, 2001

Albertans want a competitive tax system that is also fair. The single rate tax balances these objectives by increasing our competitiveness while improving fairness. As a result of the increased basic and spousal exemptions, about 200,000 low-income Albertans are dropped from the provincial tax rolls, and the amount of income that people can earn without paying provincial tax increases. A working individual will pay no Alberta income tax until income reaches $13,645, the most generous level in Canada.

> *"... a more rational tax system would recognize the legitimate interests of low-income Canadians through significantly higher personal exemptions, thus taking them right out of the personal income tax system ..."*
>
> **Robert Brown,**
> **"Tax Reform and Tax Reduction",**
> **June 1999**

Income a Working Individual Can Earn Without Paying Personal Income Tax, 2001



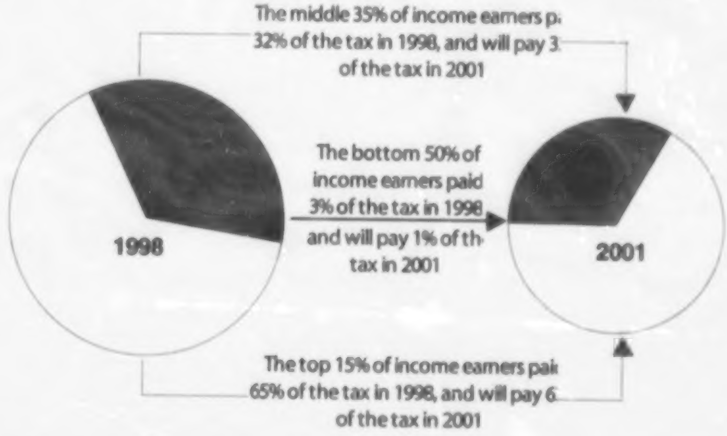
Includes the basic amount, CPP and EI non-refundable tax credits, sales tax credits and selective reductions where applicable.

At the same time, those who can afford to pay more, do. Average tax rates rise with income, even under a single rate tax, because the basic exemption shields a smaller proportion of income from tax as income rises. In 2001, the top 15% of income earners will pay 67% of Alberta income tax, up from 65% in 1998.

> *"How could anything be fairer? ... The low-income workers pay a low amount and the high-income workers pay a high amount, but we all pay at the same rate."*
>
> **Bob Easton,**
> **Grande Prairie Daily Herald-Tribune,**
> **December 20, 2000**

Distribution of Tax Burden

$1.5 billion less tax will be paid in 2001 than if Alberta had kept the 1998 system



The middle 35% of income earners p
32% of the tax in 1998, and will pay 3
of the tax in 2001

The bottom 50% of
income earners paid
3% of the tax in 1998
and will pay 1% of th
tax in 2001

The top 15% of income earners pai
65% of the tax in 1998, and will pay 6
of the tax in 2001

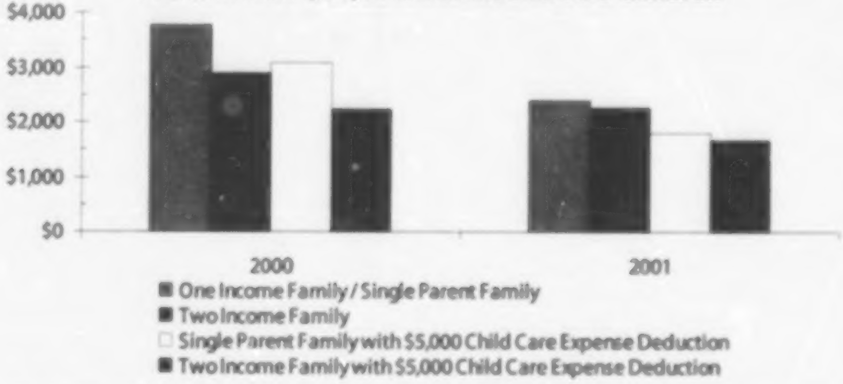
> *"Everyone who's a taxpayer should get tax relief and this is what's been wonderful about what the government has done in Alberta. It's straight across the board. It's 10 percent. They don't play income groups off against one another... It's clear, it's transparent, it's fair, it's progressive."*
>
> Troy Lanigan,
> Acting Alberta Director,
> Canadian Taxpayers Federation,
> Calgary Herald,
> December 28, 2000

The government recognizes that there are two ways to achieve progressivity. One way is to tax high-income earners at high levels. We could hit people with higher and higher tax rates as their income rises. This might be seen as "fair", but it comes at the cost of a shrinking economic pie, as high-income, highly skilled workers, and the businesses that employ them, move to places with lower taxes.

The second and better way to achieve progressivity is to reduce taxes on low-income earners. The new tax system does this by increasing the basic exemptions dramatically. It eliminates tax for low-income taxpayers, without punishing high-income earners and the economy with high tax rates. The result: a tax system that is both competitive and fair, and that encourages economic growth.

The new tax system is also fairer to one-income families. By taxing all income at a single rate and setting the basic and spousal exemptions at the same amount, it reduces the difference in tax paid by one- and two-income families.

Comparison of Alberta Income Taxes Payable by Families with $60,000 Income and Two Children



> *"... Alberta's flat tax is progressive. The more you earn, the more you pay. What makes it different, and important, is that it contains a limit - [10%] - that applies to everyone."*
>
> Paul Stanway,
> Calgary Sun,
> January 6, 2001

Finally, tax credits are indexed to the Alberta Consumer Price Index, so there is no hidden tax grab when income increases with inflation. This is particularly helpful for low- and middle-income Albertans because the exemptions represent a larger portion of their incomes.

Tax Plan Savings for Albertans[a]

(dollars)

Income	Alberta Taxes Paid 1998	1999	2000	2001	Savings 2000 to 2001
Single					
20,000	1,033	1,007	971	594	377
30,000	1,707	1,679	1,642	1,429	213
40,000	2,485	2,455	2,373	2,073	300
60,000	4,472	4,440	4,236	3,693	543
75,000	6,200	6,168	5,796	4,973	823
100,000	9,342	9,310	8,714	7,173	1,541
One Income Family or Single Parent Family with Two Children[b]					
20,000	(526)	(604)	(662)	(1,000)	338
30,000	450	397	343	(701)	1,044
40,000	1,518	1,463	1,354	223	1,131
60,000	4,037	3,978	3,777	2,403	1,374
75,000	5,766	5,706	5,337	3,683	1,654
100,000	8,908	8,848	8,254	5,883	2,371
Two Income Family with Two Children[b]					
20,000	(802)	(840)	(874)	(1,000)	126
30,000	279	210	127	(483)	610
40,000	1,060	994	916	228	688
60,000	3,023	2,968	2,871	2,277	594
75,000	4,311	4,254	4,121	3,501	620
100,000	6,889	6,827	6,541	5,705	836
Single Senior[c]					
15,000	—	—	—	—	—
20,000	737	699	644	248	396
30,000	1,638	1,613	1,556	1,294	262
40,000	2,944	2,919	2,818	2,444	374
60,000	5,577	5,550	5,228	4,610	618
75,000	7,719	7,692	7,217	6,110	1,107
100,000	11,289	11,262	10,532	8,610	1,922
Senior Couple[c]					
25,000	—	—	—	—	—
30,000	205	156	53	—	53
40,000	1,389	1,326	1,241	545	696
60,000	3,468	3,418	3,302	2,617	685
75,000	5,235	5,184	5,005	4,313	692
100,000	8,512	8,459	8,058	7,069	989

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[a] Calculations include RRSP/RPP contributions except for seniors.
[b] Includes the Alberta Family Employment Tax Credit where applicable.
[c] Blank lines indicate seniors who pay no Alberta income tax and receive the Alberta Seniors Benefit.

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[c] Blank lines indicate seniors who pay no Alberta income tax and receive the Alberta Seniors Benefit.

CALCULATING TAX UNDER THE SINGLE RATE SYSTEM

To calculate provincial personal income tax payable under the new system, Albertans first multiply federally defined taxable income by the single rate of 10%. From this amount, Albertans then subtract the Alberta non-refundable tax credits to which they are entitled.

In addition to providing enhanced basic personal and spousal exemptions, Alberta will continue to provide the same non-refundable tax credits as the federal government, including the age, caregiver, and the tuition and education credits. Credits that can be transferred or carried forward under the federal system will continue to receive the same treatment under the Alberta system. Provincial support has increased from about 7.5% of the credit amounts - what you got when you multiplied the old federal tax rate of 17% by the old provincial rate of 44% - to 10%. The charitable donations credit is 10% of the first $200 and 12.75% of donations above $200.

Additionally, the province will continue to provide a provincial dividend tax credit, overseas employment tax credit, foreign tax credit and political contributions tax credit. The non-refundable dividend tax credit in Alberta is 32% of the gross up.

Dividend = $100
Gross-up = $100 x 25% = $25
Alberta dividend tax credit* = $25 x 32% = $8

Charitable donation = $500
Credit on first $200 = $200 x 10% = $20
Credit on next $300 = $300 x 12.75% = $38.25
Total credit = $58.25

*With the September announcement that Alberta's small business tax rate will be reduced to 3% by April 1, 2003 if affordable, the dividend tax credit will be under review in the future.

Alberta Non-Refundable Tax Credit Block

	2000			2001		
	Maximum Amount (A) $	Alberta Credit Rate (B) %	Deduction from Alberta Tax (A) x (B) $	Maximum Amount (A) $	Tax Rate (B) %	Deduction from Alberta Tax (A) x (B) $
Basic personal amount	7,231	7.5	**542**	12,900	10	**1,290**
Spousal amount	6,140	7.5	**461**	12,900	10	**1,290**
Equivalent-to-spouse amount	6,140	7.5	**461**	12,900	10	**1,290**
Age amount	3,531	7.5	**265**	3,619	10	**362**
Infirm dependent amount	2,386	7.5	**179**	3,500	10	**350**
CPP contributions	1,330	7.5	**100**	1,496	10	**150**
EI contributions	936	7.5	**70**	878	10	**88**
Pension income amount	1,000	7.5	**75**	1,000	10	**100**
Disability amount	4,293	7.5	**322**	6,000	10	**600**
Disability supplement	2,941	7.5	**221**	3,500	10	**350**
Tuition and education amounts	Variable	7.5	**Variable**	Variable	10	**Variable**
Medical expenses	Variable	7.5	**Variable**	Variable	10	**Variable**
Caregiver amount	2,386	7.5	**179**	3,500	10	**350**
Interest on student loans	Variable	7.5	**Variable**	Variable	10	**Variable**
Donations and gifts						
- first $200	200	7.5	**15**	200	10	**20**
- over $200	75% of income	12.75	**Variable**	75% of income	12.75	**Variable**

CALCULATING TAX UNDER THE SINGLE RATE SYSTEM

To calculate provincial personal income tax payable under the new system, Albertans first multiply federally defined taxable income by the single rate of 10%. From this amount, Albertans then subtract the Alberta non-refundable tax credits to which they are entitled.

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Medical expenses	Variable	7.5	Variable	Variable	10	Variable
Caregiver amount	2,386	7.5	179	3,500	10	350
Interest on student loans	Variable	7.5	Variable	Variable	10	Variable
Donations and gifts						
- first $200	200	7.5	15	200	10	20
- over $200	75% of income	12.75	Variable	75% of income	12.75	Variable

HELPING ALBERTANS DEAL WITH HIGH ENERGY PRICES

High energy prices are tough on the family budget, hitting Albertans when they fill up at the gas pump and pay their home heating bills. At the same time, high energy prices have created much larger than expected revenues for the Alberta government. In response, we decided to return some of these dollars to Albertans through a refundable tax credit.

The Alberta Energy Tax Refund provides Albertans 16 years of age and over with $300 to help deal with rising energy costs or other expenses. Most Albertans received the first $150 installment last fall, with the second installment arriving in mailboxes this month. Because the refund is tax-free, Albertans end up with the full $300 in their pockets. In total, the tax refund is expected to return over $690 million to Albertans.

The Alberta government is taking a prudent approach by combining ongoing personal tax cuts with periodic refunds as appropriate. Tax cuts give back to Albertans each year on a sustainable, long-term basis, while a one-time refund gives more back during times of unexpectedly high revenues.

COMPETITIVE BUSINESS TAXES

COMPETING ON A GLOBAL STAGE

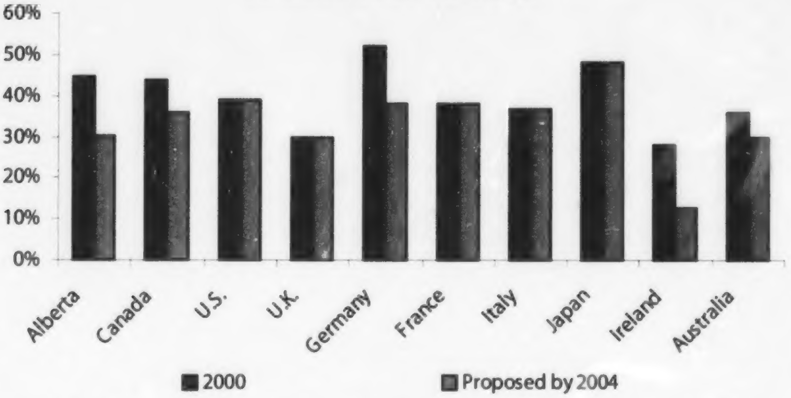
Alberta is an excellent place to do business. Our province has many advantages, including a high quality of life, good infrastructure, and a highly educated workforce. Low business taxes add to our advantage. Alberta has no general sales, payroll or capital taxes and one of the lower corporate income tax rates in Canada.

In the past, we were content that our business taxes were competitive compared to other provinces. This is no longer good enough. We have to look beyond Canada's borders. Our advantage must be measured on a global, not just national, stage.

International comparisons show that Alberta may face a disadvantage if we stand still. Alberta's combined federal-provincial corporate income tax rate is currently higher than the rates of many of our major economic competitors, several of whom have announced significant corporate tax cuts. We especially need to look south, to make sure that Alberta businesses are not at a disadvantage relative to competitors in the United States. The recently announced federal corporate income tax reductions, which will drop the federal rate in Canada to 21% by 2004 for most businesses, will improve our relative position, but Alberta should not expect the U.S. to stand still. Alberta must do its part to remain competitive.

> *"The world is changing quickly on all of us and it's harder and harder every year to remain competitive."*
>
> **Pete Merlo,**
> **President, Grande Prairie**
> **Chamber of Commerce,**
> **Grand Prairie Daily Herald-**
> **Tribune,**
> **September 18, 2000**

General Corporate Income Tax Rates
Selected OECD Countries



Source: Jack Mintz, "The February 2000 Federal Budget's Business Tax Measures", C.D. Howe Institute, March 2000, with Ministry of Finance data for Alberta and the U.K.

REVIEWING BUSINESS TAXES IN ALBERTA

People end up paying the cost of business taxes. Businesses can invest almost anywhere in the world. They are less likely to locate here if it means paying high taxes. If businesses choose to invest somewhere else, Alberta's work force will be left with fewer and lower quality jobs, lower wages, and a lower standard of living.

> *"By improving Canada's attractiveness as a place to invest, we could raise the economy's capacity to grow and create well-paying jobs over time."*
>
> **William Robson,**
> **"Good Times, Good Decisions",**
> **August 2000**

With this in mind, the government appointed the Alberta Business Tax Review Committee in February 2000. Its mandate was to examine the impact of business taxes on Alberta's economic and business climate and on our international competitiveness, and to make recommendations to improve Alberta's competitive position. The Committee asked what Albertans thought about our business tax system, and heard from them through written and verbal submissions.

Albertans expressed their support for lower taxes on business. They wanted the government to deliver low taxes for as many businesses as possible, through corporate income tax reductions. Corporate income tax cuts give the biggest bang for the buck and they are the most important element in international tax competitiveness.

General corporate income tax reductions are better than providing special tax treatment for certain industries. This is called the low-rate, broad-base approach, and the Alberta government remains committed to it, even though other provinces increasingly offer special incentives to certain industries. Special incentives are fine for the favoured industries, but not for other businesses that pay for the special treatment through higher general tax rates. We continue to believe that the market, not government policy, should decide which businesses succeed.

IMPROVING ALBERTA'S COMPETITIVENESS

The Committee's recommendations were intended to improve Alberta's position as one of the best places to start, locate or expand a business. The Alberta government adopted most of the Committee's recommendations, but decided to study others further.

GOVERNMENT RESPONSE	BUSINESS TAX REVIEW COMMITTEE RECOMMENDATIONS
✓	Reduce the general corporate income tax rate from 15.5% to 8% and the manufacturing and processing rate from 14.5% to 8%.
✓	Cut the small business rate in half, from 6% to 3%, and double the threshold from $200,000 to $400,000.
✓	Eliminate the capital tax on financial institutions and do not allow capital taxes payable to other provinces to be deductible in Alberta.
✓	No changes to the insurance corporations tax and the hotel room tax.
✗	No changes to fuel taxes.
✗	Changes should be made to the Alberta Farm Fuel Benefit program so that only unlicensed vehicles and equipment are eligible to use tax-exempt fuel.
Further Review	Changes should be made to the Tax Exempt Fuel Use program so that only unlicensed vehicles and equipment are eligible to use tax-exempt fuel.
Further Review	Changes should be made to the Alberta Royalty Tax Credit program so that benefits go primarily to smaller companies. Over the longer term, the program should be reviewed with the ultimate goal of phasing it out.
✓	Government should address issues related to the taxation of machinery and equipment assessment on electric power generation.
✓	Alberta's capital gains inclusion rate should be reduced from 66.7% to 50%.
✓	The province should maintain a low rate, broad base tax system rather than introduce tax credits.

> *"The economic environment in Alberta, with its lower taxes, healthy economy and good entrepreneurial business community, provides a better base for quicker growth than any other province."*
>
> Ian Robinson,
> Partner,
> Ernst & Young,
> March 7, 2001

The government agrees with the Committee that the first priority is to reduce corporate income tax rates. Lower tax rates benefit all businesses and sectors of the Alberta economy, and ultimately Albertans through a growing economy and better job opportunities. On April 1, the general and manufacturing and processing rates were reduced to 13.5%. The government will cut these rates to 8% by 2004, subject to affordability. These changes will keep Alberta competitive in the global marketplace. Once Alberta's tax rate drops to 8% and the planned federal reductions kick in, the combined federal-provincial corporate income tax rate in Alberta will be 30.12%, well below the existing rate of 44.62%. This will be very competitive with current U.S. rates.

The government also recognizes the important role of small business in Alberta's economy. We will double the eligible income threshold to $400,000 over two years and halve the small business rate to 3% over three years, subject to affordability. These changes will make Alberta's rate for small businesses the lowest in Canada. The first steps took place on April 1, when the rate fell to 5% and the threshold climbed to $300,000.

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Financial services are also important to future economic growth. Yet, Canadian governments have targeted this sector with special capital taxes. These taxes are becoming more of an issue because of the regulatory and technological changes occurring in the banking industry. These changes are opening the Canadian market to greater competition from abroad, and allowing our existing banks to restructure and enter new lines of business. Maintaining the capital tax in Alberta would discourage financial institutions from locating their restructured operations here, depriving Albertans of the job opportunities offered by a vibrant financial services sector.

> *"... this [business tax reductions] will make a good tax environment a great tax environment."*
>
> Dan Kelly,
> Canadian Federation of Independent Business,
> National Post,
> September 14, 2000

For these reasons, the government eliminated the capital tax on financial institutions on April 1, 2001. In conjunction with this change, capital taxes payable to other provinces are no longer deductible in Alberta. This ensures that Alberta will not subsidize other provinces' capital taxes.

Effective May 1, the railway fuel tax rate will be reduced from 3 cents per litre to 1.5 cents per litre, the same rate levied on aviation fuel, since the railways have to pay for their own infrastructure.

The business tax cuts, including the reduction of the inclusion rate for capital gains to 50%, will save Albertans $1 billion by 2004.

Implementation Schedule for the Business Tax Plan

		Implementation on April 1			
	2000	2001	2002	2003	2004
General rate (%)	15.5	13.5	11.5	10.0	8.0
Manufacturing and processing rate (%)	14.5	13.5	11.5	10.0	8.0
Small business rate (%)	6.0	5.0	4.0	3.0	
Small business threshold ($)	200,000	300,000	400,000		
Capital gains inclusion rate (%)	50[a]	50			
Railway fuel tax (¢/litre)	3	1.5[b]			
Capital tax (%)	0.7/1.0	Eliminated			
Cost of Tax Cuts ($ millions)		**286**	**561**	**770**	**1,000**

[a] The capital gains inclusion rate was reduced from 75% to 66.7%, effective February 28, 2000, and further reduced to 50%, effective October 18, 2000.

[b] Effective May 1, 2001.

> *"The one thing about this continuing move down in the tax rate is that it's a robust economy, it's energetic. We can recruit bright, young people here."*
>
> Brant Randles, President,
> Louis Dreyfus Canada Ltd.,
> National Post,
> February 19, 2001

FURTHER REVIEW

The Business Tax Review Committee reviewed three programs in the context of the government's commitment to a low-rate, broad-base tax system. These programs are the Alberta Royalty Tax Credit (ARTC), the Tax Exempt Fuel Use program (TEFU), and the Alberta Farm Fuel Benefit program.

The Committee recommended that the government phase out ARTC benefits to larger companies, and ultimately eliminate the program. The Committee also recommended that the TEFU and Alberta Farm Fuel Benefit programs be restricted to unlicensed vehicles and equipment.

The government rejected the recommended change to the farm fuel program. The ARTC and TEFU programs will be reviewed further.

ECONOMIC BENEFITS OF THE BUSINESS TAX PLAN

"A higher rate of economic growth will, over time, improve everyone's standard of living, rich as well as poor."

Bev Dahlby,
"Tax Reform and Economic Growth in Alberta",
October 2000

If we stand still on business taxes, less investment will come to Alberta, and skilled Albertans will be forced to look elsewhere to find job opportunities. The business tax cuts will help keep investment, jobs and talented people in Alberta. The reductions to Alberta's corporate income taxes are expected to raise Alberta's real GDP by 1.5% by 2006. This amounts to almost $2 billion added to Alberta's economy.

The goals of competitive taxes for businesses and sustainable revenues for public services are not contradictory. If we leave corporate taxes unchanged, Alberta's advantage will erode and our tax base will stagnate, making it increasingly difficult to raise the revenue needed to fund public services. With competitive taxes, Alberta will see a growing, more diverse tax base that will help to provide revenues in support of public services, and promote economic growth and opportunity.

SCHOOL PROPERTY TAX

Property taxes have been used to fund school systems since Confederation. Although local school boards used to collect property taxes from their communities, the province assumed this responsibility in 1994 to ensure that all children receive the same educational opportunities, regardless of how wealthy their community is. Subsequently, at the request of municipalities, residential properties began being assessed at their market value to increase fairness and consistency across communities.

School property tax revenue will be frozen at $1.2 billion.

While property taxes are an important source of funding for education, the government recognizes that they are a cost to homeowners and businesses. We have kept provincial property taxes low as part of the Alberta Advantage. This year, the government is delivering a major cut in school property taxes. We are reducing the amount of school property taxes, including taxes collected by opted out school boards, by $135 million, to $1.2 billion in total. Property tax revenue will be frozen at this amount in future years.

This reduction means the provincial uniform school property tax rate will fall from $6.77 to $5.62 per $1,000 of assessed value for residential property, and from $9.94 to $8.25 for non-residential property. The result is lower school property taxes for Albertans. The actual reductions for individual homeowners and businesses will vary depending on factors such as the change in the market value of their property and the change in the total taxable assessment in their municipality.

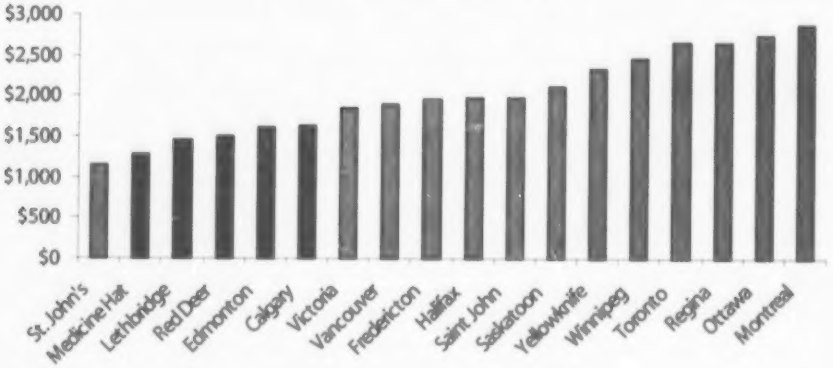
In future years, Albertans should get automatic school property tax rate reductions as the $1.2 billion revenue requirement is held constant but spread over a growing assessment base.

The percentage of basic education funding from the property tax has fallen from 50% in 1994 to 33% this year and will fall to 30% by 2003-04.

The reduction in school property taxes does not mean lower education spending. Instead, a greater share of education costs will be funded from general revenues. The percentage of basic education funding from the property tax has fallen from 50% in 1994 to 33% this year, and will fall to 30% by 2003-04.

Property taxes in Alberta are among the lowest in the country. Among selected Canadian cities, only homeowners in St. John's pay less in property tax on a single-family home than homeowners in Alberta's cities. This year's tax reductions will mean even lower school property taxes for Albertans.

Net Property Tax for a Single-Family Home
Selected Canadian Cities, 2000



Notes:
1. Figures include municipal, regional and school taxes, net of any applicable homeowner grants or property tax credits.
2. Taxes are based on the value of a typical single-family home, defined as a 10-15 year old detached bunglow with 3 bedrooms, a main floor area of 1,200 square feet, full basement, one-car garage, and a 5,500 square foot lot.

Source: City of Edmonton, Planning and Development, "2000 Residential Property Taxes and Utility Charges Survey".

FEDERAL-PROVINCIAL ISSUES

NON-RENEWABLE RESOURCE SECTOR

The federal government announced a cut in the general corporate income tax rate from 28% to 21% by 2004. The non-renewable resource sector was excluded from this tax cut, based on the argument that the special tax provisions applicable to the industry already reduce its effective tax rate below those of other sectors. Since then, the federal government has indicated its willingness to discuss the current tax system in the context of a longer-term objective of including the sector in the rate reduction.

The federal government is directing particular attention to whether the resource allowance should be retained or replaced by a return to royalty deductibility. The resource allowance, calculated as 25% of resource income, is a deduction in the calculation of taxable income that is meant to offset the non-deductibility of provincial Crown royalties.

Given the importance of the non-renewable resource sector to Alberta's economy and the long lead times for project financing and development, the Alberta government is working with the federal government and industry to resolve this issue.

TAX COLLECTION AGREEMENTS

Alberta and all other provinces except Quebec participate in tax collection agreements with the federal government for the collection of personal income tax. The agreements provide advantages for taxpayers, and federal and provincial governments. In fact, these arrangements have worked so well for Canada that they are considered internationally as a model for tax administration.

"... this is also the provinces' PIT system and it is critically important that they not be subject to federal unilateralism in the implementation of a tax structure that they deem to be in their interest."

Thomas Courchene,
"National Versus Regional Concerns",
November 1999

Up until now, provinces were required under the agreements to set their own tax rates as a percentage of federal tax. Provinces were therefore tied to the federal brackets, rate structure and level of credit support. Provinces could, however, administer separate initiatives. This ability strengthened the tax collection agreements as provinces were able to exercise their right of independent tax policy without jeopardizing their participation in the national tax collection system.

Alberta and other provinces now levy provincial tax on taxable income, rather than on federal tax. While Albertans will continue to file only one return, the federal form and provincial attachment, we are no longer tied to the federal brackets, rate structure or credit support levels.

The tax collection agreements must be updated as a result of the provincial moves to tax on income. The federal government has taken a position that if they disagree with a provincial program administered by a province, the province's tax collection agreement could be terminated. In other words, the federal government wants provinces to give up their constitutional right to control provincial tax policy in order to remain within the tax collection agreements. Alberta will not sign any agreement that requires it to surrender policy control to the federal government.

A DECADE OF TAX CUTS

This year's tax cuts are the latest and most significant chapter in a long round of tax cuts that began in 1994.

Starting in 1994, the government has cut school property tax rates every year except for one year when they were frozen. The trend continues this year with a substantial reduction in the amount collected from the school property tax. Both residential and non-residential property owners have enjoyed significant reductions over this period. The uniform provincial residential rate has fallen from $7.64 in 1993 to $5.62 per $1,000 of equalized assessment, while the non-residential rate has fallen from $11.02 to $8.25. This amounts to a reduction of more than 25% over the past eight years.

Businesses will benefit from $1 billion reductions in business taxes over the next four years, on top of earlier reductions in property and fuel taxes. The school property tax on machinery and equipment was phased out from 1996 to 1998. In 1997, the province cut the aviation fuel tax from 5 to 1.5 cents per litre, and from 1998 to 1999, the railway fuel tax fell from 9 to 3 cents per litre. This year, the rate on railway fuel falls to 1.5 cents per litre.

> *"[Alberta] Government policies, including a low tax burden, contribute to a favourable business environment, experiencing high levels of business investment..."*
>
> **Moody's Investors Service, Global Credit Research, August 2000**

Albertans have seen personal income tax savings every year since 1997. In 1997, the government offered relief to low- and middle-income working families by introducing the Alberta Family Employment Tax Credit (AFETC). The next year, we doubled the AFETC and lowered taxes for all Albertans by cutting the basic rate from 45.5% to 44% under the old tax-on-tax system. In 1999 and 2000, we matched the federal increases to basic and spousal exemptions, and in 2000, we eliminated the 8% surtax. With the single rate tax implemented this year, the combined effect of all these cuts is expected to grow to $2.4 billion in annual tax savings by 2004.

A Decade of Tax Cuts, 1994 to 2004*

(millions of dollars)

Savings for Individuals	
Personal Income Tax	2,328
Alberta Family Employment Tax Credit	80
School Property Tax on Residential and Farm Properties	341
Savings for Individuals	2,749
Savings for Business	
Corporate Income Tax	956
Financial Institutions Capital Tax	40
School Property Tax on Business	247
School Property Tax on Machinery and Equipment	230
Aviation Fuel Tax	29
Railway Fuel Tax	19
Savings for Business	1,521
Total Savings for Individuals and Business	**4,270**

* The difference in tax that would be paid in 2004 under the 1994 tax system and the amount that will be paid under the planned 2004 system.

> *Albertans will enjoy over $4 billion in permanent tax cuts.*

We won't stop here. The *It's Your Money* survey asked Albertans what the government should do with permanent extra money freed up by paying down the debt, and with one-time extra resource revenue when energy prices are high.

Albertans told the government that their top priority is to put money back in their pockets, through permanent tax cuts, and through one-time rebates from resource windfalls. The top choice for permanent reductions was personal income taxes, followed by fuel taxes, health care insurance premiums, and lastly, school property taxes.

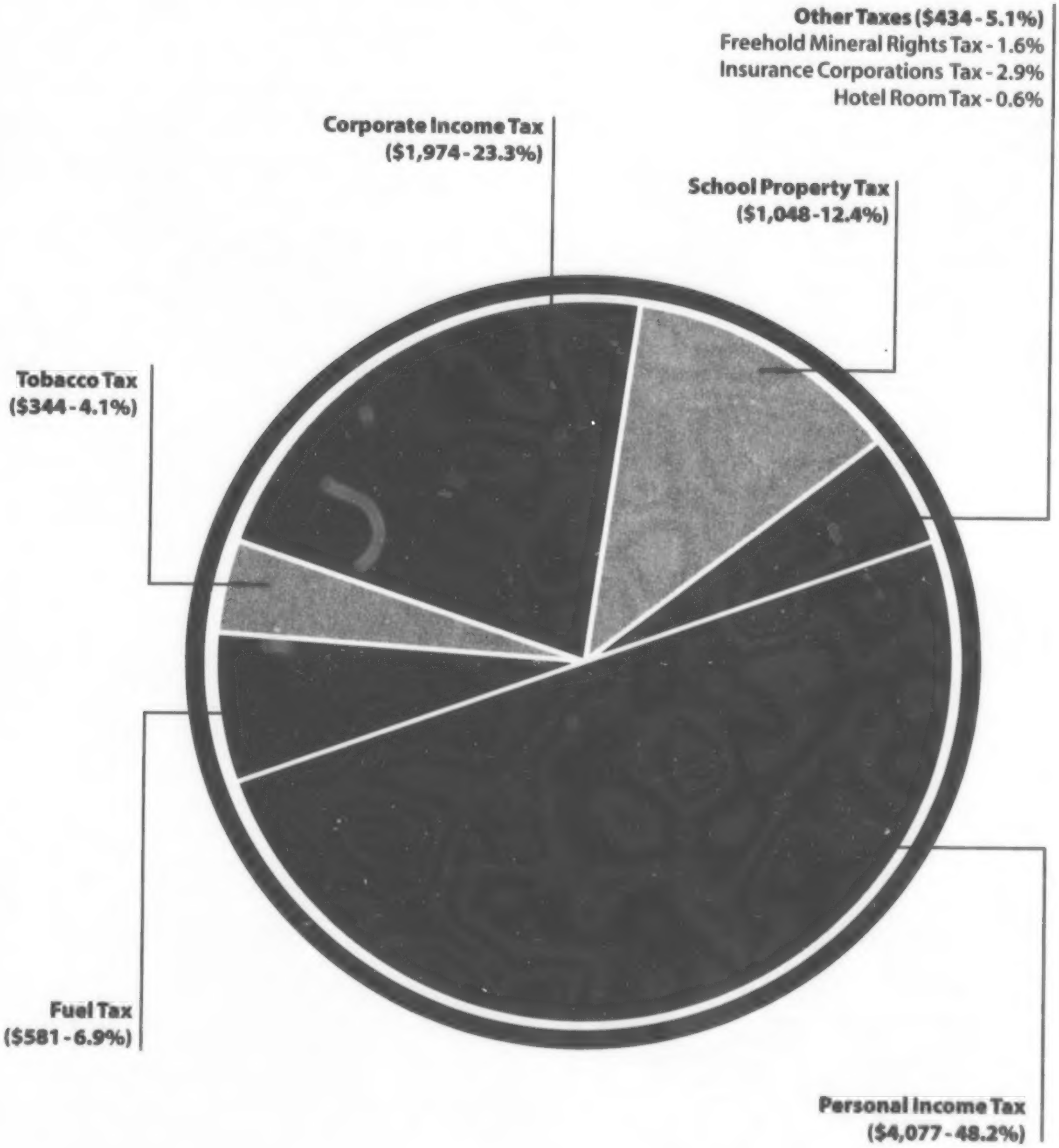
The tax system will continue to evolve to meet Albertans' needs. It will remain an important part of what makes Alberta a great place to live, work, and raise a family.

Tax Revenue by Source

(millions of dollars)

Total Tax Revenue $8.458 Billion

2001-02 ESTIMATE



2001-02 Revenue from Tax Sources

(millions of dollars)

Tax	Total Revenue	2001 Tax Rate	Annual Revenue per Unit of Tax
1. Personal Income Tax	**4,077**		
Personal Income Tax	4,422	10.0%	442.0 per point
Energy Tax Refund	(345)		
2. Corporate Income Tax	**1,974**		
General Rate	1,731	13.5%	128.0 per point
Small Business Rate	243	5.0%	48.5 per point
3. Fuel Tax	**581**		
Gasoline and Diesel	556	9¢/litre	62.0 per ¢/litre
Propane	9	6.5¢/litre	1.5 per ¢/litre
Railway	4	1.5¢/litre	2.5 per ¢/litre
Aviation	12	1.5¢/litre	8.0 per ¢/litre
4. Tobacco Tax	**344**	$14/carton	24.5 per $/carton
5. School Property Tax	**1,048**		
Residential/Farm Property	600	$5.62/$1,000 of assessment	107.0 per $/$1,000 of assessment
Non-Residential	448	$8.25/$1,000 of assessment	54.5 per $/$1,000 of assessment
6. Freehold Mineral Rights Tax	**253**		(difficult to express in per unit terms)
7. Insurance Corporations Tax	**134**		
Life, Accident, Sickness	36	2% of premium	18.0 per point
Other	98	3% of premium	32.5 per point
9. Hotel Room Tax	**47**	5.0%	9.5 per point

Interprovincial Tax and Health Care Insurance Premium Comparison, 2001

(dollars)

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NF
Employment Income of $30,000 – One Income Family with Two Children										
Provincial Income Tax	(701)	447	881	580	(279)	(734)	1,255	1,120	1,121	1,450
Provincial Sales Tax	—	690	491	783	995	1,126	939	977	1,225	1,084
Health Care Premium	612	648	—	—	—	—	—	—	—	—
Payroll Tax	—	—	—	226	285	706	—	—	—	171
Fuel Tax	270	330	450	345	441	456	321	405	390	495
Tobacco Tax	350	550	430	430	183	265	300	339	398	550
	531	2,665	2,252	2,364	1,625	1,819	2,815	2,841	3,134	3,750
Alberta Advantage		**2,134**	**1,721**	**1,833**	**1,094**	**1,288**	**2,284**	**2,310**	**2,603**	**3,219**
Employment Income of $60,000 – Two Income Family with Two Children										
Provincial Income Tax	2,277	2,768	3,429	3,207	1,908	2,867	3,300	3,426	3,333	3,669
Provincial Sales Tax	—	1,037	732	1,160	1,477	1,608	1,424	1,469	1,847	1,641
Health Care Premium	612	648	—	—	—	—	—	—	—	—
Payroll Tax	—	—	—	452	570	1,413	—	—	—	343
Fuel Tax	405	495	675	518	662	684	482	608	585	743
Tobacco Tax	350	550	430	430	183	265	300	339	398	550
	3,644	5,498	5,266	5,767	4,800	6,837	5,506	5,842	6,163	6,946
Alberta Advantage		**1,854**	**1,622**	**2,123**	**1,156**	**3,193**	**1,862**	**2,198**	**2,519**	**3,302**
Employment Income of $100,000 – Two Income Family with Two Children										
Provincial Income Tax	5,705	6,548	7,895	8,532	5,006	9,795	7,926	8,154	7,710	8,780
Provincial Sales Tax	—	1,594	1,114	1,738	2,266	2,340	2,159	2,226	2,812	2,476
Health Care Premium	612	648	—	—	—	—	—	—	—	—
Payroll Tax	—	—	—	754	950	2,355	—	—	—	571
Fuel Tax	405	495	675	518	662	684	482	608	585	743
Tobacco Tax	350	550	430	430	183	265	300	339	398	550
	7,072	9,835	10,114	11,972	9,067	15,439	10,867	11,327	11,505	13,120
Alberta Advantage		**2,763**	**3,042**	**4,900**	**1,995**	**8,367**	**3,795**	**4,255**	**4,433**	**6,048**

Calculations are based on tax parameters known at April 4, 2001.

Assumptions:

- In provinces that impose payroll taxes, 75% is assumed to be borne by employees and 25% by employers. The same 75/25 split is assumed for health care insurance premiums.
- Fuel tax is based on estimated consumption of 3,000 litres per year for one income families and 4,500 litres for two income families.
- Tobacco tax is based on estimated consumption of 100 packs per adult per year.
- For two income families, income is split 60/40 between the two spouses.
- Business bears between 25% and 60% of the provincial sales tax, dependent upon the provincial tax regime.
- RRSP/RPP contributions are included in the calculation of personal income tax.
- The children in each family are assumed to be 6 and 12 years old.

Major Provincial Tax Rates, 2001

		AB	BC	SK	MB	ON	QC	NB	NS	PE	NF
Personal Income Tax											
Statutory Rate Range											
- Lowest Rate	(%)	10.00	8.40	11.50	10.90	6.20	17.00[a]	9.68	9.77	9.80	10.57
- Highest Rate	(%)	10.00	19.70	16.00	17.50	11.16	24.50[a]	17.84	16.67	16.70	18.02
Surtax	(%)	—	—	—	—	20.0/36.0	—	—	10.0	10.0	9.0
Basic Exemption	($)	12,900	8,000	8,000	7,361	7,426	5,900	7,412	7,231	7,412	7,410
Spousal Exemption	($)	12,900	6,850	8,000	6,251	6,306	5,900	6,294	6,140	6,294	6,055
Corporate Income Tax											
Small Business Rate	(%)	5.0[b]	4.5	8.0[c]	6.0	6.5	9.04[d]	4.0	5.0	7.5	5.0
M&P Rate	(%)	13.5[b]	16.5	10/17[e]	17.0	12.0	9.04[d]	16.0	16.0	7.5	5.0
General Rate	(%)	13.5[b]	16.5	17.0	17.0	14.0	9.04[d]	16.0	16.0	16.0	14.0
Capital Tax											
General	(max.%)	—	0.30	0.60	0.50	0.30	0.64	0.30	0.25	—	—
Financial Institutions	(max.%)	—[b]	3.00	3.25	3.00	0.90	1.55[f]	3.00	3.00	3.00	4.00
Retail Sales Tax	(%)	—	7.0	6.0	7.0	8.0	7.5[g]	8.0[g]	8.0[g]	10.0	8.0[g]
Gasoline Tax	(¢/litre)	9.0	11.0[h]	15.0	11.5	14.7	15.2[i,h]	10.7[i]	13.5[i]	13.0	16.5[i]
Tobacco Tax	($/carton)	14.00	22.00	17.20[i]	17.20[i]	7.30[i]	10.60[i]	12.00[i]	13.54[i]	15.90	22.00[i]
Payroll Tax	(max.%)	—	—	—	2.15	1.95	4.26[j]	—	—	—	2.00

Rates for other provinces known as at April 4, 2001.

[a] Quebec residents receive an abatement of 16.5% of federal tax in lieu of cash transfers to Quebec for several social programs, reducing the lowest and highest effective rates to 14.36% and 19.71%, respectively.
[b] These rates are effective April 1, 2001.
[c] This rate is reduced to 6% effective July 1, 2001.
[d] The Quebec corporate tax rate includes the basic rate of 8.9% plus the Youth Fund surtax of 1.6%.
[e] The general corporate tax rate is reduced by up to 7 points based on the share of a corporation's national manufacturing and processing income allocated to Saskatchewan.
[f] The Quebec financial institutions capital tax includes the base rate of 1.28%, the Youth Fund surtax of 1.6%, and a compensatory tax of 0.25%.
[g] These provinces' sales taxes are harmonized with the federal GST and apply to a broader base than other provincial sales taxes.
[h] An additional 4 cents/litre is imposed in the greater Vancouver area, 2.5 cents/litre in Victoria and 1.5 cents/litre in Montreal.
[i] These provinces apply their retail sales taxes on top of this tax.
[j] There is an additional 2% compensatory tax on wages of financial institutions that is not included in this rate.

Top Marginal Personal Income Tax Rates, 2001

(per cent)

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NF
Federal	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Provincial	10.00	19.70	16.00	17.50	17.41	24.50	17.84	18.34	18.37	19.64
Federal Abatement[a]	—	—	—	—	—	(4.79)	—	—	—	—
Total	39.00	48.70	45.00	46.50	46.41	48.71	46.84	47.34	47.37	48.64

Rates for other provinces known as at April 4, 2001.

[a] Quebec residents receive an abatement of 16.5% (4.79 percentage points on the top rate of 29%) of federal tax in lieu of federal cash transfers to Quebec for several social programs. This reduces the top basic federal rate of 29% by 16.5%, or 4.79% of taxable income.

Interprovincial Tax and Health Care Insurance Premium Comparison, 2001

(dollars)

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NF
Employment Income of $30,000 – One Income Family with Two Children										
Provincial Income Tax	(701)	447	881	580	(279)	(734)	1,255	1,120	1,121	1,450
Provincial Sales Tax	—	690	491	783	995	1,126	939	977	1,225	1,084
Health Care Premium	612	648	—	—	—	—	—	—	—	—
Payroll Tax	—	—	—	226	285	706	—	—	—	171
Fuel Tax	270	330	450	345	441	456	321	405	390	495
Tobacco Tax	350	550	430	430	183	265	300	339	398	550
	531	2,665	2,252	2,364	1,625	1,819	2,815	2,841	3,134	3,750
Alberta Advantage		**2,134**	**1,721**	**1,833**	**1,094**	**1,288**	**2,284**	**2,310**	**2,603**	**3,219**
Employment Income of $60,000 – Two Income Family with Two Children										
Provincial Income Tax	2,277	2,768	3,429	3,207	1,908	2,867	3,300	3,426	3,333	3,669
Provincial Sales Tax	—	1,037	732	1,160	1,477	1,608	1,424	1,469	1,847	1,641
Health Care Premium	612	648	—	—	—	—	—	—	—	—
Payroll Tax	—	—	—	452	570	1,413	—	—	—	343
Fuel Tax	405	495	675	518	662	684	482	608	585	743
Tobacco Tax	350	550	430	430	183	265	300	339	398	550
	3,644	5,498	5,266	5,767	4,800	6,837	5,506	5,842	6,163	6,946
Alberta Advantage		**1,854**	**1,622**	**2,123**	**1,156**	**3,193**	**1,862**	**2,198**	**2,519**	**3,302**
Employment Income of $100,000 – Two Income Family with Two Children										
Provincial Income Tax	5,705	6,548	7,895	8,532	5,006	9,795	7,926	8,154	7,710	8,780
Provincial Sales Tax	—	1,594	1,114	1,738	2,266	2,340	2,159	2,226	2,812	2,476
Health Care Premium	612	648	—	—	—	—	—	—	—	—
Payroll Tax	—	—	—	754	950	2,355	—	—	—	571
Fuel Tax	405	495	675	518	662	684	482	608	585	743
Tobacco Tax	350	550	430	430	183	265	300	339	398	550
	7,072	9,835	10,114	11,972	9,067	15,439	10,867	11,327	11,505	13,120
Alberta Advantage		**2,763**	**3,042**	**4,900**	**1,995**	**8,367**	**3,795**	**4,255**	**4,433**	**6,048**

Calculations are based on tax parameters known at April 4, 2001.

Assumptions:

- In provinces that impose payroll taxes, 75% is assumed to be borne by employees and 25% by employers. The same 75/25 split is assumed for health care insurance premiums.
- Fuel tax is based on estimated consumption of 3,000 litres per year for one income families and 4,500 litres for two income families.
- Tobacco tax is based on estimated consumption of 100 packs per adult per year.
- For two income families, income is split 60/40 between the two spouses.
- Business bears between 25% and 60% of the provincial sales tax, dependent upon the provincial tax regime.
- RRSP/RPP contributions are included in the calculation of personal income tax.
- The children in each family are assumed to be 6 and 12 years old.

Major Provincial Tax Rates, 2001

		AB	BC	SK	MB	ON	QC	NB	NS	PE	NF
Personal Income Tax											
Statutory Rate Range											
- Lowest Rate	(%)	10.00	8.40	11.50	10.90	6.20	17.00[a]	9.68	9.77	9.80	10.57
- Highest Rate	(%)	10.00	19.70	16.00	17.50	11.16	24.50[a]	17.84	16.67	16.70	18.02
Surtax	(%)	—	—	—	—	20.0/36.0	—	—	10.0	10.0	9.0
Basic Exemption	($)	12,900	8,000	8,000	7,361	7,426	5,900	7,412	7,231	7,412	7,410
Spousal Exemption	($)	12,900	6,850	8,000	6,251	6,306	5,900	6,294	6,140	6,294	6,055
Corporate Income Tax											
Small Business Rate	(%)	5.0[b]	4.5	8.0[c]	6.0	6.5	9.04[d]	4.0	5.0	7.5	5.0
M&P Rate	(%)	13.5[b]	16.5	10/17[e]	17.0	12.0	9.04[d]	16.0	16.0	7.5	5.0
General Rate	(%)	13.5[b]	16.5	17.0	17.0	14.0	9.04[d]	16.0	16.0	16.0	14.0
Capital Tax											
General	(max.%)	—	0.30	0.60	0.50	0.30	0.64	0.30	0.25	—	—
Financial Institutions	(max.%)	—[b]	3.00	3.25	3.00	0.90	1.55[f]	3.00	3.00	3.00	4.00
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THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

It's Your Money

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It's Your Money

The budget policies of the Klein government over the last eight years have been developed through a continuing series of public consultations. Albertans have been asked what their priorities are and the government has listened to what Albertans said.

PREVIOUS BUDGET CONSULTATIONS

1993 AND 1994 BUDGET ROUNDTABLES

The consultation process started in 1993. A Budget Roundtable was convened to discuss the deficit crisis facing Alberta and develop solutions. The four-year plan to balance the budget, legislated in the *Deficit Elimination Act*, was the result of that meeting.

A second Roundtable was held in September 1994 to assess progress and help develop the government's new three-year business plan.

The balanced budget plan was a success. Overall spending was reduced by 19%. The budget was balanced without increasing taxes.

1996 *STRAIGHT TALK, CLEAR CHOICES* SURVEY

With the success of the balanced budget plan, it was time to consider the next steps in Alberta's fiscal agenda. In spring 1996, a survey entitled *Straight Talk, Clear Choices* was distributed to all households in Alberta. About 61,000 Albertans responded with their opinions.

The advice of Albertans was clear. Their top priority was paying down the net debt (the difference between the government's total liabilities and its total financial assets, excluding pension liabilities) as fast as possible. Their second priority was to target some of the available dollars to key spending areas.

Again, the government acted on Albertans' advice. Windfall revenues were used to accelerate net debt repayment. Significant dollars were reinvested in health and education to improve the quality and accessibility of services.

1997 GROWTH SUMMIT

By 1997, the success of Alberta's fiscal plan had helped restore business and consumer confidence. The resulting strong economic growth began to attract increasing numbers of in-migrants from other provinces.

In September 1997, a Growth Summit was held to help develop options to respond to the pressures of a growing economy and a growing population.

The government acted on the recommendations of the Growth Summit. Rising resource revenue made it possible to allocate one-time dollars to address the pressures of growth on Alberta's infrastructure – roads and public transit, schools and post-secondary institutions, and hospitals and nursing homes. The government was also able to boost ongoing health and education funding to meet the needs of our expanding population.

1998 *TALK IT UP. TALK IT OUT.* SURVEY

By the fall of 1998, dramatic progress had been made on paying down the net debt, aided by a strong economy and solid energy prices. It appeared likely that the net debt could be gone within a year and, indeed, it was actually eliminated in June 1999. In addition, reinvestment in health and education had boosted spending on those priorities in 1998-99 above previous highs in 1992-93.

A second survey, *Talk it Up. Talk it Out.*, was sent to all Albertans, asking what their priorities would be when the net debt was gone. Close to 80,000 Albertans responded with their advice.

Albertans' top priority remained paying down debt. After the net debt was eliminated in 1999, Alberta still had $12.5 billion of debt remaining that had accumulated during the nine years of overspending from 1984-85 to 1993-94. About 68% of Albertans said it was important to pay down the remaining accumulated debt, preferably over a period of 10 to 20 years.

The second priority had changed from 1996, however. With the success of reinvestment in priority programs, 51% of Albertans now said tax cuts were important, compared to 42% that said further spending increases were important.

The government acted on Albertans advice:

- In the spring of 1999, the *Fiscal Responsibility Act* legislated a plan to pay off the remaining accumulated debt.
- Budget '99 set out a plan to cut Albertans' taxes significantly through a new, single-rate personal income tax system. The new system came into effect on January 1, 2001, a year ahead of the original schedule. Basic and spousal exemptions were increased to $12,900 and the single tax rate set at 10%.
- Available program spending dollars continued to be targeted to health, education and infrastructure.

2000 *IT'S YOUR MONEY* SURVEY

In 2000-01, resource revenue reached a record level of $10.5 billion, double the previous record of $5.2 billion in 1984-85. As a result, the government was able to allocate about $4.3 billion in 2000-01 to repay accumulated debt.

The three-year fiscal plan includes a prudent revenue forecast, in accordance with law. It assumes that energy prices and energy revenues will decline significantly over the next three years from the recent record highs.

However, if energy prices remain at the high levels forecast by some private sector energy analysts, the accumulated debt could be eliminated in two or three years. Thus, in the fall of 2000, the government decided to seek Albertans advice about what our priorities should be when the accumulated debt is gone.

A survey entitled *It's Your Money* was distributed to all Alberta households in November. Over 125,000 Albertans responded, far exceeding the close to 80,000 responses in 1998.

Albertans are of one mind in assessing the options for a debt-free Alberta. Across the province, the results were remarkably uniform.

TAX CUTS ARE ALBERTANS' TOP PRIORITY

Albertans were asked what the government should do with the two different types of extra money the government may have available after the debt is gone:

1. permanent money freed up by eliminating the annual interest costs on the existing accumulated debt, and
2. one-time money when resource revenues, or other revenues, spike upwards, as happened in 2000-01.

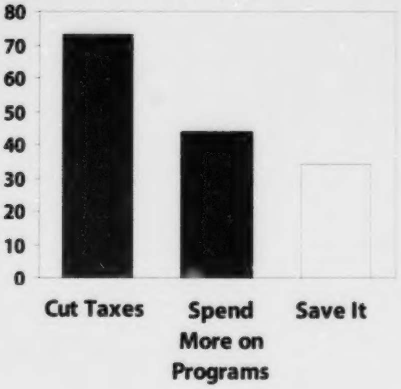
Albertans priorities were clear. In both cases, they said the top priority was putting money back in their pockets, through permanent tax reductions and one-time rebates.

In allocating the permanent interest savings, 73% of Albertans said tax reductions were important, compared to 44% who said more program spending was important and 34% who said a budgeted savings plan was important.

Looking at one-time excess revenue, 57% said one-time tax rebates were important, compared to 52% who said it was important to save the money for the future and 29% who said one-time spending was important.

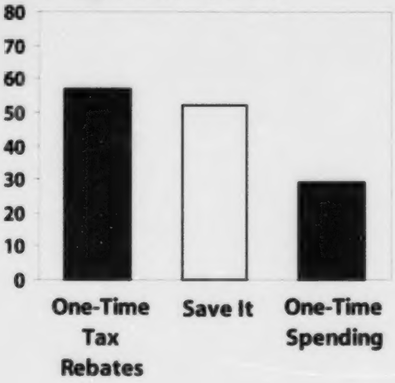
WHAT TO DO WITH PERMANENT SAVINGS

(per cent ranking important)



WHAT TO DO WITH ONE-TIME REVENUE

(per cent ranking important)



HIGH APPROVAL OF PERSONAL INCOME TAX CUTS AND HEALTH SPENDING

Albertans were also asked to give approval ratings to various specific options for tax cuts or rebates, and permanent or one-time program spending. Permanent personal income tax cuts and more spending on health services and facilities received the highest levels of support.

Looking first at options for the permanent interest savings, 76% of Albertans approved of further personal income tax cuts. The second choice for permanent tax cuts was reducing fuel taxes, which 59% approved. 57% approved of reducing health care insurance premiums and 49% approved of further cuts in school property taxes.

In regard to permanent spending increases, Albertans supported increased spending on health and education. 81% approved of more health spending and 69% approved of more education spending. 49% supported more spending on children's services and 45% approved of permanent spending increases on infrastructure.

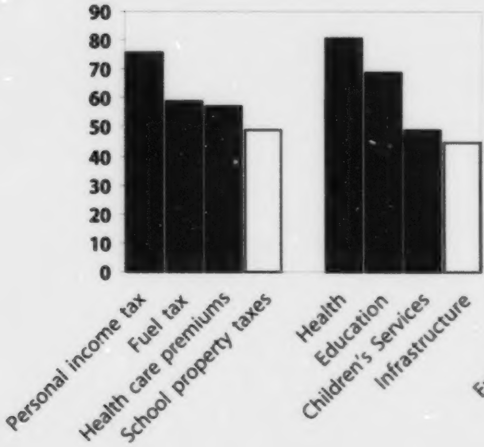
All options for returning one-time excess revenue to Albertans received solid support. 65% approved of rebates to help with high energy costs, 55% approved of annual dividends and 52% supported one-time tax refunds.

Three one-time spending options received strong support from Albertans. One-time spending on health facilities and equipment was approved by 81%, while 67% approved of spending on education facilities and equipment and 60% approved of spending on roads and public transit. Spending on water and sewage facilities, and research was supported by less than 50% of Albertans.

Albertans were also given the option of identifying other specific choices for tax cuts or rebates and spending. Approximately 15,000 Albertans chose to identify one or more of their own options for each of the survey areas. These ideas will be considered carefully. The main items mentioned, ranging from about 1,500 to 2,500 Albertans, were assistance to seniors, support for other social programs and funding for the environment.

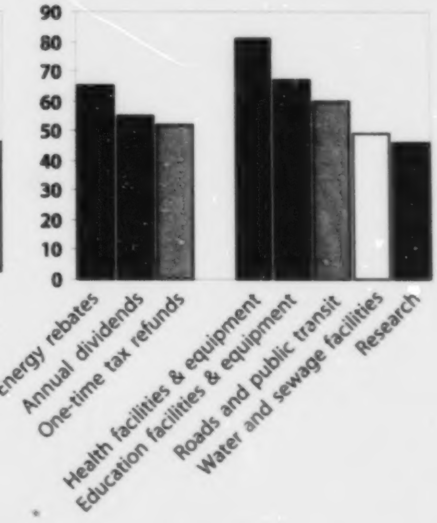
OPTIONS FOR PERMANENT SAVINGS

(per cent approving)



OPTIONS FOR ONE-TIME REVENUE

(per cent approving)



IT'S YOUR MONEY SURVEY RESULTS

(per cent distribution of responses[1])

	Importance or Approval		
Question	Low	Medium	High
PART A: INTEREST SAVINGS			
1. Importance of options for interest savings money when the debt is gone:			
Tax reductions	12	15	73
Increase program spending	25	31	44
Save for future years	33	34	34
2. Approval of options to use interest savings money to cut or eliminate taxes:			
Personal Income taxes	9	15	76
Fuel taxes	19	22	59
Health care insurance premiums	19	23	57
School property taxes	20	31	49
3. Approval of options for spending interest savings money:			
Health care	6	14	81
Education	9	21	69
Children's services	20	31	49
Infrastructure	18	37	45
PART B: UNPREDICTABLE RESOURCE MONEY			
4. Importance of options for unpredictable resource money when the debt is gone:			
One-time tax rebates	24	19	57
Save for future years	22	26	52
One-time spending	36	35	29
5. Approval of options for returning unpredictable resource money to Albertans:			
Energy rebates	14	21	65
Annual dividends	22	23	55
One-time tax refunds	23	25	52
6. Approval of options for spending unpredictable resource money:			
Health care facilities and equipment	6	13	81
Education facilities and equipment	10	23	67
Roads and public transit	9	32	60
Water and sewage facilities	15	37	48
Research	22	33	45

[1] Totals may not add due to random rounding.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Response to the Auditor General

Response to the Auditor General

Every year the Auditor General prepares an annual report on the scope and findings of the work carried out by the Office of the Auditor General. Following are the numbered recommendations in the Auditor General's 1999-2000 Annual Report and the government's response to each of them.

These recommendations and the government's response are based on the previous ministry structure in effect at March 31, 2000.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
Cross Government	
① Core measures and targets	
We recommend that the Department of Treasury, in conjunction with other ministries, clearly define the core measures and targets in the government business plan.	Accepted. The government business plan is a work in progress. It has always been the intention that each goal under the three core businesses *People, Prosperity* and *Preservation* would have at least one core measure which would have a performance target associated with it. Some measures are still under construction while others are being refined as better metrics are discovered. The process of establishing appropriate targets is complex and involves the input of many stakeholders and interest groups.
② Linking goals to core businesses	
We recommend that ministries, with assistance from the Department of Treasury, improve the link between goals and core businesses in ministry business plans.	Accepted. Some improvement in the link between goals and core businesses will occur in the 2001-04 ministry business plans as part of our ongoing refinements. Full implementation of the recommendation will commence with the 2002-05 ministry business plans.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
③ Targets	
We recommend that ministries, in conjunction with the Department of Treasury, ensure that all performance measures in ministry business plans include clearly defined targets.	Accepted. The objective of measuring performance is to foster a discussion around long term improvements rather than measure and report on short term wins. It is the overall direction of the results being measured that is important.
④ Integrated results analysis	
We recommend that ministries, with assistance from the Department of Treasury, enhance the results analysis included in ministry annual reports by providing an integrated analysis of financial and non-financial performance.	Accepted. The quality of results analysis included in ministry annual reports continues to evolve. Efforts will be made to better integrate analysis of financial and non-financial performance.
Agriculture, Food and Rural Development	
⑤ Core businesses	
We recommend that the Ministry of Agriculture, Food and Rural Development business plan be enhanced by structuring it around core businesses, each embracing one or more goals, performance targets related to those goals, strategies designed to achieve those goals, and the budget for the necessary resources.	Accepted. A description of the Ministry's core businesses and their costs will be included in the Ministry 2001-2004 business plan. Implementation of the recommendation regarding goals, performance targets, strategies and budget will commence with the development of the 2002-2005 business plan.
⑥ Computer control environment	
We recommend that Agriculture Financial Services Corporation obtain assurance on the control environment of their outsourced computer services provider.	Accepted. The outsourcing contract expires June 30, 2001. The corporation will implement the recommendation when a new or renewed contract is signed. The corporation will consult with the Office of the Auditor General to determine the most effective way to implement this recommendation.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
Children's Services	
⑦ Shared services support	
We again recommend that the Department of Children's Services and the Child and Family Services Authorities examine the support services, including shared services, for opportunities to improve cost effectiveness. We also again recommend that the Department and Authorities enter into service agreements with their service providers.	Accepted in principle. The cost-effectiveness of support services will be reviewed in conjunction with the transfer of many services to the Alberta Corporate Service Centre (ACSC).
⑧ Business practices and accounting policies	
We recommend that the Department of Children's Services work in collaboration with the Child and Family Services Authorities to clarify business practices and ensure financial statements comply with generally accepted accounting principles.	Accepted in principle. The process of clarifying and formalizing accounting policies and business practices is underway. The basis of accounting for the authorities will be further discussed with Alberta Treasury to ensure consistency in the government's corporate accounting policies.
⑨ Expenditure forecasts	
We recommend that the Department of Children's Services review the funding formula to ensure that the allocation of resources is consistent with the expected needs of each Child and Family Services Authority. We further recommend that the Department and Authorities obtain appropriate information to assist in forecasting and managing costs.	Accepted. The Ministry is committed to improving the funding model taking into consideration variations between regions, best practices in case and program management, and the impact of legislated and mandated program parameters. Work to improve access to expenditure information and facilitate monitoring and forecasting of costs is underway.
⑩ Year-end accounting processes	
We recommend that the Department of Children's Services and the Authorities improve their year-end accounting processes in order to produce high quality, accurate and timely financial statements.	Accepted. Procedures have been implemented to reconcile and review accounts on a monthly basis. Detailed financial control standards are being established to ensure consistency.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
⑪ Business planning	
We again recommend that the business plans of the Child and Family Services Authorities provide clear links between the social and economic factors affecting service delivery and the attendant strategies to mitigate their effect on service delivery. We also recommend that each Authority develop an appropriate number of performance measures to monitor the effectiveness of services.	Accepted. The Ministry is developing a planning process that links environmental trends to proposed actions and utilizes relevant performance measures at the authority level.
Economic Development	
⑫ Assets recorded as grants	
We recommend that the Department of Economic Development ensure that expenses and assets arising from new initiatives are disclosed in its financial statements based on the substance of the transactions.	Accepted.
Environment	
⑬ Consistent action plans	
We recommend that the Department of Environment's regional and area Action Plans used in the planning process be completed on a consistent basis. There are 17 areas covering the Province for which Action Plans are prepared by the Department's Natural Resources Service.	Accepted. Natural Resources Service has utilized an operational plan at the service level, in conjunction with action plans at the area level for the fiscal years 1999-2000 and 2000-01. Improvement in consistency is expected in future years.
⑭ Monitoring system for DAOs	
We recommend that the Department of Environment fully implement and continue to refine its system for monitoring its Delegated Administrative Organizations.	Accepted in principle. Monitoring will continue to be enforced. Both informal and formal communication is occurring, particularly with respect to business planning and annual reporting in an effort to address the requirements outlined in the evaluation framework.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
Gaming	
⑮ Accountability for the Casino Gaming Terminal Racetrack Program	
We recommend that the Ministry of Gaming establish an appropriate accountability system to determine whether public resources provided to the horse racing industry have been spent for their intended purposes and have achieved their objectives.	Accepted. The new process for disbursing funds to the racing industry in Alberta will be fully open and transparent and will include, as part of the agreements, the necessary accountability framework for all funds disbursed through the Racing Industry Renewal Initiative.
⑯ Accountability of the Alberta Racing Corporation	
We recommend that the Ministry of Gaming take appropriate steps to hold the Alberta Racing Corporation accountable for the performance of its delegated responsibilities.	Accepted. Immediate steps to address the specific issues commented upon in the Auditor General's Report include: • All payments of gaming revenues to the Alberta Racing Corporation have ceased effective September 21, 2000. • Review of and commentary on the Alberta Racing Corporation's business plan and annual report will be done. • A detailed accounting of all gaming revenues received by the Alberta Racing Corporation will be provided to the Alberta Gaming and Liquor Commission. • The Ministry's next annual report will include a section on the Racing Appeal Tribunal.
Health and Wellness	
⑰ Accountability for the cost and quality of health services	
We recommend that the Department of Health and Wellness further develop a process for defining and reporting the respective accountability of those affecting the cost and quality of health services.	Accepted. The Ministry is working on a number of initiatives such as the Medical Services Project and the Alternative Payment Plan Pilot Project which will help define the reporting, accountability and responsibility relative to costs and health services.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
⑱ Business planning for health	
We again recommend that the Department of Health and Wellness and health authorities implement a joint strategy for improving the implementation of authorized business plans.	Accepted. The Ministry will collaborate with health authorities and others to determine where streamlining of the process can occur to improve implementation of the 2001-04 business plans.
⑲ Reporting the cost of outputs	
We again recommend that the Department of Health and Wellness take a lead role in working with health authorities in reporting the costs of key service outputs.	Accepted.
⑳ Reporting population health costs	
We recommend that the Department of Health and Wellness develop a process for reporting the full cost of delivering health services for the population of each health region of Alberta as a means of supporting business planning decisions and the accountability of regional health authorities.	Accepted in principle. The Ministry will examine how relevant reporting can be enhanced to support decision-making.
㉑ Using information to improve funding systems	
We again recommend that the Department of Health and Wellness examine regional differences in the utilization and cost of health services with a view to improving the system for allocating funds to health authorities.	Accepted. An in-depth study is being conducted that will examine regional differences in utilization and costs and may result in enhancements to the funding formula.
㉒ Accountability for we//net results	
We recommend that the Department of Health and Wellness and the Alberta we//net Project Office review the alignment of accounting, funding, and accountability for we//net to better ensure the achievement of benefits for costs incurred.	Accepted. A proposal is being considered regarding future funding of we//net to achieve consistent reporting and accountability.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
㉓ Reporting financial results We recommend that the Department of Health and Wellness improve the reporting of financial results in the Ministry and Department financial statements.	Accepted. The Ministry is reviewing the budget process to improve the linkages and reporting of objectives with financial performance.
Human Resources and Employment	
㉔ Skills development program We recommend that procedures to monitor compliance by educational institutions with the terms of the Skills Development Program be improved.	Accepted in principle. A new Memorandum of Understanding (MOU) has been finalized that addresses the risks identified in the audit. The Ministry will develop interim procedures to ensure compliance with the program terms to provide adequate assurance until the new MOU is fully implemented. In addition, the Skills Development Program is currently being reviewed along with other related programs to determine the most effective method for delivering these services.
Infrastructure	
㉕ Monitoring the Ministry's implementation of the Capital Planning Initiative strategies We recommend that the Ministry of Infrastructure monitor and evaluate its progress in implementing the strategies of the Capital Planning Initiative.	Accepted. The Ministry has been monitoring the progress on the implementation of the Capital Planning Initiative through: • the approved business plan, • the semi-annual Corporate Capital Overview process, • the strategies/work plan established for the fiscal year, and • coordination of activities through a cross-government working committee.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
㉖ Long-term capital asset plans for owned and supported facilities	
We recommend that the Ministry of Infrastructure obtain further information on the strategic service delivery options and forecasted needs of client ministries to assist in the development of long-term capital asset plans for owned and supported facilities.	Accepted. The Ministry obtains and reviews information on program delivery needs and strategic directions from ministries. Capital planning and decisions take into consideration both the strategic program needs and directions of the majority of ministries and the condition, utilization and functionality of the capital assets.
㉗ Ministry infrastructure management systems	
We recommend that the Ministry of Infrastructure review the plans in place for the development of the Ministry's infrastructure management systems and satisfy itself that the most cost-effective systems are being developed and that it has the resources necessary to successfully develop and implement the systems.	Accepted. The Ministry is committed to developing an integrated Information Management System for all types of infrastructure. Systems upgrades/development are not done in isolation. Cost-effective solutions are investigated and, if appropriate, adopted, while concurrently addressing the specific capital asset managements needs of the infrastructure programs. The objective is to ensure that the approach would be cost effective and consistent with the Capital Planning Initiative's long-term objective of developing an integrated system for the government.
INNOVATION AND SCIENCE	
㉘ Information technology	
We recommend that the Ministry of Innovation and Science, with the cooperation of other ministries, develop systems to assist in the management of cross-government information technology (IT) services and infrastructure.	Accepted. An accountability framework is being developed with the participation of all ministries and other important stakeholders. In addition, processes and tools to support the management of IT services and infrastructure will be implemented.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
㉙ IMAGIS	
We recommend that the Ministry of Innovation and Science obtain an appropriate level of assurance that information technology service providers are maintaining effective controls to protect the confidentiality and integrity of IMAGIS data. We also recommend that controls in the IMAGIS system be improved.	Accepted. With the transition of several finance and human resource functions to ACSC, Innovation and Science and ACSC will jointly ensure that the appropriate level of control is maintained. Both parties will continue to work to ensure that the management of IMAGIS reflects all legal, policy and confidentiality requirements. The controls currently in place are effective and there is no evidence of unauthorized access to IMAGIS data.
Justice	
㉚ Fines and costs	
We again recommend that the Department of Justice report the results and costs of its fines collection activities.	Accepted. An action plan to respond to this recommendation is under development and will be finalized shortly.
Learning	
㉛ Long-term capital planning	
We recommend that the Department of Learning enhance its systems to ensure that long-term capital planning for school facilities is consistent with strategic plans for the delivery of education.	Accepted. Plans are in place to set up ongoing regular communication between the Ministry of Learning and the Ministry of Infrastructure to exchange information on long-term capital planning that focuses on Learning's goals and other issues related to critical outcomes and business plans for the respective ministries. Also, the Ministry of Learning is represented on committees that review school jurisdictions' three-year business plans and capital plans.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
㉜ Institution budgets We recommend that the Department of Learning require institution budgets be prepared on the same basis of accounting as the institution's audited financial statements. We also recommend that the Department ensure that the budgets of public post-secondary education institutions are reviewed and approved in accordance with Legislative requirements.	Accepted. Implementation will take some time as institutions need to change their budget processes and universities will need to adjust their timelines for submission.
㉝ Deferred maintenance We again recommend that the Department of Learning and public post-secondary institutions continue to improve the system to manage the sector's infrastructure by evaluating the overall progress made towards addressing the critical health and safety risks arising because of deferred maintenance.	Accepted. Working with Infrastructure, the Ministry will require institutions to include information on progress in addressing critical health and safety issues in their accountability reports on the use of their Infrastructure Renewal funding.
㉞ Information in strategic and divisional plans We recommend that Athabasca University ensure sufficient information is contained in the strategic plan and divisional plans to enable senior management and the Governing Council to determine the University's progress in implementing the objectives set out in its plans.	Accepted. The university will put steps in place to ensure that sufficient information is contained in its strategic and divisional plans. These include identifying specific measures to assess progress of the implementation of its Strategic University Plan, incorporating appropriate Alberta Learning Key Performance Indicators, and including measurable objectives in its divisional plans.
㉟ Internal control systems We recommend that the University of Alberta ensure control weaknesses are identified and corrected.	Accepted. The university is revising its existing accountability structure and decision-making framework, within the context of a decentralized management structure as recommended by the audit committee. Detailed review of critical controls and processes will be conducted and any weaknesses identified will be corrected.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
㊱ Basis of measurement for budget	
We recommend the University of Alberta adopt a basis consistent with generally accepted accounting principles for its budget presentation and that the budget encompasses all operating, financing and investing transactions.	Accepted in principle. The university's first priority is to provide its board with comprehensive planning and budget information to enable it to focus its attention on the strategic direction of the university. This includes both a cash and GAAP based statement of operations. The university is willing to investigate the feasibility and utility of developing a budgeted cash-flow statement prepared on a GAAP basis.
㊲ Net assets	
We recommend the University of Alberta determine the level of net assets that will be required to ensure that programs and faculties will continue to be supported.	Accepted in principle. The university's net assets deficiency is largely comprised of employee pension, long-term disability and vacation entitlements. Strategies are in place to address these liabilities over time. The university pursues targeted funding in support of indirect costs of research and for capital facilities and equipment replacement.
㊳ Project proposals	
We recommend that the University of Calgary's capital project proposals demonstrate cost benefits and alignment with the long-term campus plan. We further recommend that project management controls be strengthened.	Accepted. Proposed capital projects will be required to demonstrate fit with the new Campus Community Plan. All capital projects now follow revised policies and procedures, which strengthen existing project management controls.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
㊴ Governance and accountability	
We again recommend that: • Those who manage and fund academic health activities acknowledge the full scope and magnitude of those activities and the consequences for the accountability of academic health centres. • The entity or entities responsible for academic health and their mandates, roles, and accountabilities be clearly defined and, on this basis, the appropriate organization and governance structure be established. We further recommend that the Universities of Alberta and Calgary take the lead in addressing the need for a governance structure for academic health.	Accepted in principle. The universities of Alberta and Calgary intend to work closely with the Council of Academic Health Centres over the coming year in order to review the council's governance and accountability.
㊵ Long-range capital plan	
We recommend that Grant MacEwan College perform an assessment of its long-range facilities requirements and incorporate this assessment into a long-range capital plan.	Accepted. The college is currently determining its long-range facilities' requirements and will incorporate this assessment into its long-term capital plans.
Resource Development	
㊶ Risks associated with the Crown royalty crude oil marketing system	
We recommend that the Department of Resource Development take action to address the risks associated with the automated systems relating to the collection and marketing of Crown royalty crude oil.	Accepted. The computer application relating to crude oil royalty volumes is very stable and represents a low risk to the department. Plans are currently underway to migrate this application to an environment consistent with the technical direction of the Ministry.

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
Treasury	
㊷ Corporate government accounting policies	
We again recommend that the Department of Treasury initiate changes to the corporate government accounting policies in order to improve accountability.	Accepted in principle. The government's corporate accounting policies will continue to be reviewed, in consultation with ministries and the Office of the Auditor General and refined where Treasury Board considers accountability can be improved.
㊸ Cost allocation	
We again recommend that the Department of Treasury develop a methodology to allocate all significant costs to those entities which are responsible for delivering outputs.	Under review. There is ongoing discussion between Treasury and the Office of the Auditor General on the most practical and cost efficient method to provide additional information on allocated costs.
㊹ Strategies to improve reporting throughout the year	
We again recommend that the Department of Treasury promote the benefits of quality financial reporting throughout the fiscal year.	Accepted. Improving in the quality of financial reporting throughout the year is an ongoing process. Treasury in consultation with ministries and the Office of the Auditor General will continue to review progress in this area.
㊺ Earmarked assets	
We again recommend that the Province's consolidated financial statements and the Ministry of Treasury financial statements provide expanded disclosure of assets set aside for particular purposes.	Partially accepted. Consideration will be given to additional disclosure of the assets of the Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Scholarship Fund and Alberta Heritage Science and Engineering Research Endowment Fund as earmarked for specific purposes. The preamble to the Alberta Heritage Saving Trust Fund (AHSTF) Act states the mission of the AHSTF is: "To provide prudent stewardship of the savings from Alberta's non-renewable resources by providing the greatest financial return on those savings for current and future generations of Albertans." The Act also provides for the return of AHSTF's net income to the General Revenue Fund at amounts the Provincial Treasurer considers advisable until accumulated debt is repaid. After accumulated debt

AUDITOR GENERAL'S OBSERVATIONS	GOVERNMENT'S RESPONSE
㊺ Earmarked assets (cont'd)	is repaid, any transfers to the General Revenue must take into account the impact of inflation to maintain the value of AHSTF's assets. As a result, it would be inappropriate to indicate these assets are "set aside for particular purposes." The Province's consolidated financial statements already adequately explain the nature of the assets held by the AHSTF.
㊻ Reporting performance information	
We recommend that the Department of Treasury enhance the background information and results analysis included in Measuring Up.	Accepted.
㊼ Performance measurement for social and economic development programs within the tax collection system	
We recommend that the Department of Treasury identify for the Legislative Assembly the expected and actual results from the social and economic development programs within the tax collection system.	Not accepted. The Auditor General acknowledges there are no common standards for reporting such programs within the tax collection system. The different tax rates in Alberta compared with other jurisdictions and non-existence of provincial sales tax makes establishing a "benchmark" revenue for a government highly subjective. In the government's view, any arbitrary method to attribute specific results to these revenue differences would not be meaningful.
㊽ Forecasting corporate income tax revenue	
We recommend that the Department of Treasury improve its forecasting of corporate income tax revenue to facilitate more accurate reporting.	Accepted. Steps are being taken to improve corporate income tax modeling and the timeliness and quality of information available on corporate income tax receipts.
㊾ Strengthening internal controls	
We recommend that Alberta Treasury Branches strengthen the internal controls within its financial systems by ensuring account reconciliations are performed regularly, adequate division of duties exists at the branches and useful systems documentation is maintained.	Accepted. Management is in the process of reviewing and documenting internal processes to ensure the integrity of the accounting systems.

The 1999-2000 Auditor General's Report comments on the progress being made to implement previous recommendations. The Auditor General has indicated that 16 recommendations above relate to recommendations since 1994-95 that have not been fully implemented. This represents the complex nature of some of these recommendations. The government continues to work towards addressing the Auditor General's recommendations.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

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THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Budget 2001 | Business plans

PRESENTED BY PATRICIA L. NELSON
MINISTER OF FINANCE

In the Legislative Assembly of Alberta
April 24, 2001

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THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Government of Alberta Business Plan 2001-04

THE VISION

"A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children."

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Government of Alberta Business Plan 2001-04

The Future...
Meeting Priorities, Sharing Benefits

A PLAN FOR A NEW AGE

Alberta stands on the doorstep of a new age. An age where economic globalization and technology are linking our province and its people to a worldwide neighbourhood. An age where freedom from debt – once only a tiny pinpoint of light far in the distance – is now firmly in view. An age where knowledge and innovation are rapidly increasing the pace of change.

Alberta is well prepared for the new age. The province's economy leads the nation by nearly all measures, and growth is predicted to remain strong well into the future. This robust economy sustains a high quality of life and creates wealth to pay for things that are important to Albertans: an excellent education system, a solid infrastructure, a world-class health care system, and support for children, seniors, and others who need it.

OUR VALUES

The province's success has been based on the strong values Albertans hold. The job of government is to ensure that those values continue to be reflected in its programs and services.

Albertans value independence – making our own choices and finding our own paths, free of discrimination and unnecessary impediments.

Albertans value innovation – trying new ideas and finding new ways of doing things.

Albertans value people – ensuring that all members of society, especially the most vulnerable, can participate in the life of the province.

Albertans value fiscal responsibility – living within our means, and making wise choices that reflect our needs and priorities.

These values are reflected in the Government Business Plan 2001-04.

NEW OPPORTUNITIES

Alberta could soon become the only province in Canada to be debt-free. Burning our mortgage creates a new fiscal environment. The global environment is changing too. Technology is opening doors that weren't there before.

These changes create opportunities to address some of the challenges Albertans now face. They offer possible answers to questions like: what can be done to enhance health care? Is our education system the best it can be? Can our taxes be lower? How can we take better care of our children and provide more support to seniors and families? Can we improve the province's infrastructure?

Addressing these challenges is the priority of the government's 2001-04 business plan. The government's efforts will focus on:

- improving health care;
- striving for excellence in education;
- continuing the tradition of wise fiscal management and low taxes;
- caring for children and supporting seniors and families; and
- investing in infrastructure.

IMPROVING HEALTH CARE

Alberta will strive to protect and improve the publicly funded health care system by continuing to implement the Six-Point Plan for Health. Actions to be undertaken in the course of this business plan include:

- ensuring Albertans get the care they need through accessible, high quality health services;
- preparing for future health needs through ongoing innovation, integration, and coordination in health service delivery;
- providing more services to people where they need them – in their communities and in their homes; and
- focusing on long-term health gains through increased emphasis on programs to prevent illness and injury, and protect and promote good health, as well as healthy active lifestyles.

STRIVING FOR EXCELLENCE IN EDUCATION

A well-educated population drives economic growth, innovation and increases in standards of living. The Government of Alberta will support lifelong learning over the next three years by:

- meeting diverse learner needs by building capacity for a range of learning opportunities;
- building a solid foundation for learning by focusing on the early grades;
- ensuring that students' financial needs are not a barrier to learning;
- expanding opportunities for youth to develop career preparation and employability skills; and
- expanding training opportunities in information technology, communications, education and health.

CONTINUING THE TRADITION OF WISE FISCAL MANAGEMENT AND LOW TAXES

Wise fiscal management ensures that Alberta can afford to invest in priority areas and maintain a competitive tax regime. Together, these enhance the quality of life in Alberta, spur job creation and leave more money in peoples' pockets. The next three years will see Alberta's tax advantage grow even more by:

- maintaining a globally competitive tax regime, and
- implementing the business tax reduction plans beginning on April 1, 2001, on an affordable basis.

CARING FOR CHILDREN AND SUPPORTING SENIORS AND FAMILIES

Alberta's children deserve the best care we can give them. The 2001-04 business plan includes several initiatives to take care of children, including:

- addressing the recommendations of the Task Force on Children at Risk and Children's Forums;
- introducing strategies to address priority health issues like low birth weight babies; and
- supporting Child and Family Services Authorities and other partners in the delivery of community-based, integrated services to children, youth and families, with emphasis on early intervention, meeting the needs of Aboriginal children, and providing transitions for youth.

The business plan also identifies several initiatives to support seniors, families, and other Albertans, including:

- shielding Albertans from unexpected spikes in natural gas prices; and
- continuing to plan for the needs of an aging population by ensuring that Alberta seniors, particularly those most in need, have the programs and services they need to live in comfort and dignity.

INVESTING IN INFRASTRUCTURE

Having a modern, reliable infrastructure is a key to sustaining economic growth and maintaining a high quality of life. Among the highlights of Alberta's investment in infrastructure are:

- developing a high speed, provincial technology network that will ensure high speed Internet and wide-area network availability so that all Albertans can access government services;
- strengthening Alberta's multi-billion investment in physical infrastructure for educational institutions, health care, seniors' and social housing, irrigation, water management and other government programs through appropriate maintenance and upgrading;
- facilitating trade by improving key highway routes, including the North-South Trade Corridor; and
- completing the restructuring of Alberta's electric industry and managing the transition to a deregulated market.

LOOKING AHEAD

The Government of Alberta's 2001-04 Business Plan has two parts. The first section comprises the goals and strategies undertaken by individual ministries in the government's three core businesses of *People, Prosperity and Preservation.*

However, many issues are not isolated to a single ministry, so the second part of the business plan includes cross-ministry initiatives that involve cooperation across government.

There are four priority cross-ministry initiatives for this business plan:

1. the Aboriginal Policy Initiative;
2. the Economic Development Strategy;
3. the Seniors Policy Initiative; and
4. the Children and Youth Services Initiative.

Work is also continuing on four key government administrative priorities:

1. the Alberta Corporate Service Centre Initiative;
2. the Corporate Human Resource Development Strategy;
3. the Corporate Information Management/Information Technology Strategy; and
4. the Alberta One-Window Initiative.

Together, the two parts form the plan that will guide Alberta's way into a new age.

2001-04 Government Business Plan

GOALS, STRATEGIES, MEASURES AND TARGETS

The government's activities are focused on three core businesses: ***People, Prosperity and Preservation.*** The goals chosen for each of the core businesses reflect the government's priorities for protecting the quality of life in Alberta, while maintaining a commitment to fiscal responsibility. Key strategies have been set out for achieving these goals along with performance targets and measures for tracking progress.

PEOPLE...

The goals for the ***People*** core business are directed at improving the quality of life in Alberta for individuals and their families through the government's priorities for health, education, our children, those in need, and Aboriginal Albertans.

PROSPERITY...

The goals for the ***Prosperity*** core business focus on protecting the quality of life in Alberta through the government's priorities for our economy, work force and work places, infrastructure, value-added industries, export trade, and financial and fiscal position.

PRESERVATION...

The goals for the ***Preservation*** core business reflect the government's priorities for community safety, our renewable resources, the environment, our natural, historical and cultural resources, and Alberta's relations with other levels of government.

This section of the government business plan outlines the goals, and key strategies for each of the three core businesses. Reference to the lead ministries responsible for the service or program delivery is provided in parentheses. Performance measures and targets are also described. More detail about how the government intends to achieve these goals is included in the business plans of individual ministries.

A summary table of the goals, measures and targets for the *2001-04 Government Business Plan* is presented on the next page.

GOVERNMENT BUSINESS PLAN 2001-04
Goals, Performance Measures and Targets

People

Goals	Measures	Targets
1. Albertans will be healthy.	• Life Expectancy at Birth • Health Status	• Maintain or improve current life expectancy at birth and be among the top 10 countries in the world. • By 2003, 70% of Albertans aged 18-64 rate their health as 'very good' or 'excellent', and 80% of Albertans aged 65 and over rate their health as 'good' or better.
2. Our children will be well cared for, safe, successful at learning and healthy.	• Well Being of Children	• To be determined once baseline is established.
3. Alberta students will excel.	• Educational Attainment • Literacy and Numeracy Levels	• By 2003, 90% of Albertans aged 25-34 will have completed high school, and 60% will have completed post-secondary education. Maintain or improve inter-provincial ranking. • 85% of Grade 9 students meet acceptable standards on provincial achievement tests in math and language arts.
4. Albertans will be independent.	• Economic Status of Albertans	• To be determined once baseline is established.
5. Albertans unable to provide for their basic needs will receive help.	• Economic Status of Albertans	• To be determined once baseline is established.
6. The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.	• Aboriginal Well-Being	• By 2010: the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10%; the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion; the difference in life expectancy of Registered Indians in Alberta and all Albertans will be reduced by one year.

Prosperity

Goals	Measures	Targets
7. Alberta will have a prosperous economy.	• Gross Domestic Product • Job Growth	• 3 year annual average GDP growth rate of 4 to 6%. • 295,000 new jobs in the 6 years ending December 2005.
8. Our workforce will be skilled and productive.	• Skill Development	• 90% of employers satisfied with recent post-secondary graduates' skills.
9. Alberta businesses will be increasingly innovative.	• Business Innovation	• Alberta business use of the Internet will account for an increasing percentage of economic activity.
10. Alberta's value-added industries will lead economic growth.	• Value-Added Industries	• Alberta's value-added industries will account for an increasing percentage of Provincial GDP.
11. Alberta will have effective and efficient infrastructure.	• Infrastructure Capacity	• 95% of rural sections of the National Highway System at level of service B or better upon completion of the North-South Trade Corridor; export gas pipeline capacity will exceed demand; continue to increase industry and non-profit sponsored research.
12. Alberta will have a financially stable, open and accountable government.	• Taxation Load • Provincial Credit Rating • Accumulated Debt • Cost of Government	• Maintain the lowest tax load on persons and business among the provinces. • The highest blended credit rating for domestic debt among the provinces. • Reduce the March 31, 2000 accumulated debt by at least 13% by 2004-05 and eliminate it no later than 2024-25. • Remain 5% below the average per capita government expenditure of the other nine provinces.
13. Alberta will have a fair and safe work environment.	• Workplace Climate	• The rate of person-days lost to work stoppages, and injury and disease will be among the three lowest of all the provinces.
14. Alberta businesses will increase exports.	• Export Trade	• Increase international value-added exports to $28.5 billion by the year 2004.

Preservation

Goals	Measures	Targets
15. Alberta will be a safe place to live and raise families.	• Crime Rate	• Reduce Alberta's crime rates below the national rates by 2005.
16. Alberta's renewable natural resources will be sustained.	• Renewable Resource Sustainability	• Keep timber harvest at or below the annual allowable cut. Achieve sustainable crop yields of 0.92 tonnes per acre by 2004.
17. The high quality of Alberta's environment will be maintained.	• Air Quality • Water Quality • Land Quality	• Maintain air quality levels that are considered 'good' or 'fair' at all times. • Bring river water quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality. • Achieve sustainable crop yields of 0.92 tonnes per acre by the year 2004.
18. Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources.	• Heritage Appreciation	• 1.1 million visitors per year to provincially-owned historic sites, museums, and interpretive centres and 8 million visitors per year to provincial parks and recreation areas.
19. Alberta will work with other governments and maintain its strong position in Canada.	• Intergovernmental Relations	• Maintain the Alberta government's public approval rating in federal-provincial relations equivalent to the average approval rating of the four nearest provinces.

core business *People ...*

goal 1 Albertans will be healthy

KEY STRATEGIES:

- ensure Albertans get the care they need through accessible high quality health services (HW)
- prepare for future health needs through ongoing innovation, integration and coordination in health service delivery (HW)
- provide more services to people where they need them – in their communities and in their homes (HW)
- improve accountability and results in the health care system through clear expectations and better information (HW)
- focus on long-term health gains through increased emphasis on programs to prevent illness and injury, and protect and promote good health, as well as healthy active lifestyles (CD, ENV, HRE, HW, PAO)

CORE MEASURES:

LIFE EXPECTANCY AT BIRTH

DESCRIPTION Female and male life expectancy.

TARGET Maintain or improve current life expectancy at birth and be among the top 10 countries in the world.

HEALTH STATUS

DESCRIPTION Self-reported status by Albertans over 18.

TARGET By the year 2003, 70% of Albertans aged 18-64 will rate their health as 'very good' or 'excellent', and 80% of Albertans aged 65 or over will rate their health as 'good' or better.

Abbreviations for Ministries:

AAND	Aboriginal Affairs and Northern Development	IIR	International and Intergovernmental Relations
AEDA	Alberta Economic Development Authority	INFRA	Infrastructure
AFRD	Agriculture, Food and Rural Development	IS	Innovation and Science
CD	Community Development	JUS	Justice and Attorney General
CS	Children's Services	LEARN	Learning
ED	Economic Development	MA	Municipal Affairs
ENERGY	Energy	PAB	Public Affairs Bureau
ENV	Environment	PAO	Personnel Administration Office
FINANCE	Finance	REVENUE	Revenue
GAMING	Gaming	SENIORS	Seniors
GS	Government Services	SG	Solicitor General
HRE	Human Resources and Employment	SRD	Sustainable Resource Development
HW	Health and Wellness	TRANS	Transportation

goal 2 Our children will be well cared for, safe, successful at learning and healthy

KEY STRATEGIES:

Key strategies in italics are associated with the Children and Youth Services Cross Ministry Initiative. See page 36.

- *continue implementation of the Children and Youth Services Initiative with an emphasis on cross ministry initiatives to improve supports and resources to children, youth and families* (AAND, CD, CS, HRE, HW, LEARN, SG)
- address the recommendations of the Task Force on Children at Risk and Children's Forum (CS, HW, LEARN, SG)
- support Child and Family Services Authorities and other partners in the delivery of community-based, integrated services to children, youth and families, with an emphasis on early intervention, meeting the needs of Aboriginal children and providing transitions for youth (AAND, CD, CS, HW, LEARN, SG)
- provide a range of integrated health and related support services to identified students with special health needs registered in school programs (CS, HW, LEARN)
- continue to promote the Alberta Child Health Benefit which provides low-income families with the prescription drugs, dental, optical, and ambulance services that their children require (HRE)
- introduce health strategies to address priority health issues, including low birth weight babies (CS, HW)
- identify strategies for integrated mental health services to children, youth and families (CS, HW, LEARN)

CORE MEASURE:

WELL BEING OF CHILDREN

DESCRIPTION	Percentage of Alberta children living in families with incomes above the Market Basket Measure (MBM) low income threshold.
TARGET	To be determined once baseline is established.

goal 3 Alberta students will excel

KEY STRATEGIES:

- enhance school-readiness opportunities for children from birth to three years of age (CS, LEARN)
- build a solid foundation for learning by focusing on early grades (LEARN)
- improve student learning by continuing to implement and evaluate the Alberta Initiative for School Improvement collaboratively with partners (LEARN)
- meet diverse learner needs by building capacity for a range of learning opportunities (HRE, INFRA, LEARN)
- ensure that students' financial needs are not a barrier to participating in learning opportunities (HRE, LEARN)
- expand opportunities for youth to develop career preparation and employability skills (HRE, LEARN)
- improve assessment and reporting of learner achievement (LEARN)

CORE MEASURES:

EDUCATIONAL ATTAINMENT

DESCRIPTION High school or post-secondary completion.

TARGET By 2003, 90% of Albertans aged 25-34 will have completed high school, and 60% will have completed post-secondary education. Maintain or improve inter-provincial ranking.

LITERACY AND NUMERACY LEVELS

DESCRIPTION Achieving the acceptable standard in language arts and mathematics.

TARGET 85% of Grade 9 students are expected to achieve the acceptable standard on provincial achievement tests in language arts and mathematics.

goal 4 Albertans will be independent

KEY STRATEGIES:

- improve transitions for youth among school, further learning and work **(CS, HRE, LEARN)**
- develop additional government-wide strategies through the People and Prosperity Initiative that help Albertans contribute to and share in Alberta's economic prosperity **(HRE, ED, LEARN, all ministries)**
- ensure up-to-date information is available to all Albertans on labour market needs, career preparation and opportunities for further learning **(HRE, LEARN)**
- continue efforts to get social assistance clients into the workforce by improving training programs and providing financial and health benefits **(HRE)**

CORE MEASURE:

ECONOMIC STATUS OF ALBERTANS

DESCRIPTION	Increase the percentage of people in Alberta living above the Market Basket Measure (MBM) low income threshold.
TARGET	To be determined once baseline is established.

goal 5 Albertans unable to provide for their basic needs will receive help

KEY STRATEGIES:

Key strategies in italics are associated with the Seniors Policy Cross Ministry Initiative. See page 35.

- continue to improve income support services for Albertans who are unable to provide for their basic needs and require financial assistance **(HRE)**
- sponsor initiatives which provide effective supports to Albertans with developmental and other disabilities, and promote their inclusion in community life **(CD)**
- provide financial assistance to lower-income seniors through the *Alberta Seniors Benefit* and *Special Needs Assistance for Seniors* programs **(SENIORS)**
- facilitate the provision of appropriate seniors housing, and family and special purpose housing for Albertans most in need **(SENIORS)**
- *strengthen the coordination of provincial government programs and services for seniors, and develop a strategic framework and a 10-year action plan on the aging population through the Seniors Policy Initiative* **(HW, SENIORS, all ministries)**
- implement strategies to address homelessness in conjunction with municipal governments, local authorities, community groups and the private sector **(HRE, HW, SENIORS)**

CORE MEASURE:

ECONOMIC STATUS OF ALBERTANS

DESCRIPTION	Increase the percentage of people in Alberta living above the Market Basket Measure (MBM) low income threshold.
TARGET	To be determined once baseline is established.

goal 6 The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans

KEY STRATEGIES:

Key strategies in italics are associated with the Aboriginal Policy Cross Ministry Initiative. See page 33.

- *improve the health status and well-being of Aboriginal people* (AAND, CD, CS, HW)
- *improve the educational attainment of Aboriginal learners* (AAND, CS, HRE, LEARN)
- *increase the collaborative participation of Aboriginal governments, organizations and people in the design and delivery of programs and services* (**all ministries**)
- *promote the appreciation and preservation of Aboriginal cultures in Alberta* (AAND, CD, CS, JUS)
- *increase the participation by Aboriginal people in the Alberta economy* (**all ministries**)
- *clarify federal/provincial/Aboriginal roles and responsibilities* (**all ministries**)

CORE MEASURE:

ABORIGINAL WELL-BEING

DESCRIPTION Aboriginal well being is measured by comparing the employment rate and the high school completion rate of Alberta's Aboriginal people to those of non-Aboriginal people, and by comparing the life expectancy of registered Indians to that of all Albertans.

TARGET By 2010: the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10%; the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion (comparable 1996 percentages were 52.2 and 24.9, respectively); the difference in life expectancy of Registered Indians in Alberta and all Albertans will be reduced by one year.

core business *Prosperity ...*

goal 7 Alberta will have a prosperous economy

KEY STRATEGIES:

Key strategies in italics are associated with the Economic Development Strategy Cross Ministry Initiative. See page 34.

- continue to promote the Alberta Advantage **(all ministries)**
- *continue implementation of the Economic Development Strategy to enable Albertans to meet future economic challenges* **(ED, IS, LEARN, all ministries)**
- *develop a collaborative approach to regional economic development that builds on regional goals, priorities and strengths* **(AAND, AEDA, AFRD, ED, ENV, IIR, MA, SRD)**
- *ensure the sufficient supply of skilled labour to meet Alberta's economic growth* **(ED, HRE, IIR, LEARN)**
- encourage investment and economic activity by maintaining a globally competitive tax regime **(AEDA, ED, FINANCE)**
- implement the April 1, 2001 business tax plan changes; implement the 2002 tax plan step subject to affordability **(FINANCE, REVENUE)**
- work with industry to attract domestic and international investment **(AEDA, AFRD, ED, IIR, IS, SRD)**
- support the expansion of Alberta's tourism industry and promotion of Alberta as a world-renowned tourism destination **(AEDA, CD, ED)**
- improve the ability of start-up and early stage companies to access the capital they need to get their businesses up and running **(AEDA, AFRD, ED, IS)**
- remove barriers to national and international trade and investment so Alberta businesses can compete in new markets **(AFRD, ED, IIR)**

CORE MEASURES:

GROSS DOMESTIC PRODUCT

DESCRIPTION	Long term growth rate of the Alberta economy as measured by the three year average growth rate of provincial Gross Domestic Product.
TARGET	Three year annual average GDP growth rate of 4 to 6%.

JOB GROWTH

DESCRIPTION	Net number of jobs created in Alberta on an annual average basis.
TARGET	295,000 new jobs in the 6 years ending December 2005.

goal 8 Our workforce will be skilled and productive

KEY STRATEGIES:

- improve Albertans' ability to enter the workforce and keep pace with changing skill needs **(AEDA, AFRD, ED, HRE, LEARN, PAO)**
- maintain a balanced long-term program of science and engineering research through the Alberta Heritage Foundation for Science and Engineering Research **(IS)**
- remove barriers that prevent people from moving easily from job to job or place to place in order to work **(AAND, AEDA, ED, HRE, IIR, LEARN, PAO, TRANS)**
- build a strong Alberta public service through continued implementation of the Corporate Human Resource Development Strategy **(PAO, all ministries)**
- improve the knowledge and skills of Alberta youth, particularly as they relate to employability and the transitions between learning and work **(AFRD, CD, HRE, LEARN)**
- strengthen connections between school and workplace learning **(AFRD, CD, HRE, LEARN)**
- expand training opportunities in information technology, communications, education and health **(LEARN)**

CORE MEASURE:

	SKILL DEVELOPMENT
DESCRIPTION	Employer satisfaction with recent post-secondary graduates' skills.
TARGET	90% of employers satisfied with recent post-secondary graduates' skills.

goal 9 Alberta businesses will be increasingly innovative

KEY STRATEGIES:

- expand Alberta's focus on research, knowledge and technology that results in viable commercial products, processes and services **(AFRD, ED, ENERGY, IS, SRD)**
- encourage the innovative application of new technologies by resource-based industries to sustain future competitiveness and resource bases **(AEDA, AFRD, ED, ENERGY, IS, SRD)**
- encourage the development of private sector laboratories for food production and processing **(AFRD, ED, IS)**

CORE MEASURE:

BUSINESS INNOVATION

DESCRIPTION	Alberta business use of the Internet to sell goods and services.
TARGET	Alberta business use of the Internet will account for an increasing percentage of economic activity.

goal 10 Alberta's value-added industries will lead economic growth

KEY STRATEGIES:

- use technology in targeted sectors to expand Alberta's value-added industries **(AEDA, AFRD, ED, ENERGY, IS, SRD)**
- expand Alberta's economy by defining and taking action on key science and technology priorities **(ED, ENERGY, IS, SRD)**
- expand in-Alberta opportunities for secondary processing of renewable and non-renewable resources **(AEDA, AFRD, ED, ENERGY, IIR, SRD)**
- facilitate the growth of value-added industries, especially in the agri-food, energy and forestry sectors **(AAND, AFRD, ED, ENERGY, IIR, IS, SRD)**

CORE MEASURE:

VALUE-ADDED INDUSTRIES

DESCRIPTION	Percentage of provincial GDP contributed by the manufacturing and knowledge-intensive service industries as proxies for value-added industries in Alberta.
TARGET	Alberta's value-added industries will account for an increasing percentage of Provincial GDP.

goal 11 Alberta will have effective and efficient infrastructure

KEY STRATEGIES:

- implement initiatives to ensure effective and innovative capital planning and funding of government supported infrastructure through the government-wide capital planning initiative **(FINANCE, INFRA, TRANS, all ministries)**
- promote cooperative initiatives among business and industry, government and municipalities to address the need for infrastructure development **(AAND, AEDA, CD, ED, GAMING, INFRA, MA)**
- facilitate trade by improving key highway routes, including the North-South Trade Corridor **(IIR, TRANS)**
- work with local governments to strengthen rural and urban transportation partnerships and ensure that Alberta has a safe and efficient system of roads **(MA, TRANS)**
- complete restructuring of Alberta's electric industry and manage the transition to a deregulated market **(ENERGY)**
- protect Alberta's multi-billion dollar investment in physical infrastructure for educational institutions, health care, seniors' and social housing, irrigation, water management and other government programs through appropriate maintenance and upgrading **(AFRD, CD, ENV, HW, INFRA, LEARN, MA, SENIORS, SRD, TRANS)**
- develop a high speed, provincial technology network that will ensure high speed Internet and wide-area network availability so that all Albertans can access provincial government services **(GS, LEARN, HW, IS, all ministries)**
- develop and implement advanced telecommunications, infrastructure management, and information management systems for improved communications and service delivery **(CD, GS, HW, INFRA, IS)**

CORE MEASURE:

INFRASTRUCTURE CAPACITY

DESCRIPTION	Sufficiency of Alberta's infrastructure system as measured by the quality of Alberta's highways, the utilization rate of our export gas pipelines and the level of sponsored research at Alberta's universities.
TARGET	95% of rural sections of the National Highway System at level of service B or better upon completion of the North-South Trade Corridor; export gas pipeline capacity will exceed demand; continue to increase industry and non-profit sponsored research.

goal 12 Alberta will have a financially stable, open and accountable government

KEY STRATEGIES:

- continue to implement current fiscal policies of balancing the budget, orderly paydown of debt, low taxes, targeted spending and capital planning **(FINANCE)**
- eliminate unnecessary regulations **(all ministries)**
- provide regular reports to Albertans on government goals, as well as financial and non-financial performance results **(all ministries)**
- provide efficient management of government resources and communications **(FINANCE, INFRA, IS, PAB, PAO, all ministries)**
- improve the efficiency and cost effectiveness of Alberta government administrative services through the Alberta Corporate Service Centre initiative **(all ministries)**
- improve Albertans' access to government information and services through the Alberta One-Window Gateway **(GS, all ministries)**
- meet Albertans' requested needs for more information on government programs and services, and make it easier for them to give their feedback and opinions **(all ministries)**

CORE MEASURES:

TAXATION LOAD

DESCRIPTION Alberta's provincial taxation load on persons and business relative to the provincial average.

TARGET Maintain the lowest tax load on persons and business among the provinces.

PROVINCIAL CREDIT RATING

DESCRIPTION Alberta's blended credit rating for domestic debt relative to the other provinces.

TARGET The highest blended credit rating for domestic debt among the provinces.

ACCUMULATED DEBT

DESCRIPTION Alberta's accumulated debt, which is the sum of the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation and the government's liability for school construction.

TARGET Reduce the March 31, 2000 accumulated debt by at least 13% by 2004-05 and eliminate it no later than 2024-25.

COST OF GOVERNMENT

DESCRIPTION Alberta government expenditures per capita as a percentage of the other nine provinces.

TARGET Remain 5% below the average per capita government expenditure of the other nine provinces.

goal 13 Alberta will have a fair and safe work environment

KEY STRATEGIES:

- promote high standards in the workplace for labour relations and workplace health and safety (HRE, PAO)
- support community organizations undertaking educational initiatives that promote fairness and access, and that increase understanding and appreciation of the benefits of Alberta's growing diversity (CD)

CORE MEASURE:

WORKPLACE CLIMATE

DESCRIPTION Alberta's provincial ranking of the number of person-days lost due to work stoppages and due to injury and disease, per 10,000 person-days worked.

TARGET The rate of person-days lost to work stoppages, and injury and disease will be among the three lowest of all the provinces.

goal 14 Alberta businesses will increase exports

KEY STRATEGIES:

- implement Alberta's International Marketing Strategy to focus trade and investment efforts in targeted regions and industries **(AFRD, ED, ENERGY, IIR, IS, LEARN, SRD)**
- improve Alberta's ability to compete and do business in global markets by expanding Albertans' understanding of world languages and cultures **(AEDA, ED, IIR, LEARN)**
- provide Alberta businesses with information/intelligence to identify emerging opportunities and enhance market access **(AFRD, ED)**
- coordinate Alberta's participation in strategic international relationships and agreements with key trading partners (ED, IIR)

CORE MEASURE:

EXPORT TRADE

DESCRIPTION	Alberta's international value-added exports, measured in current dollars.
TARGET	Increase international value-added exports to $28.5 billion by the year 2004.

core business

Preservation ...

goal 15 Alberta will be a safe place to live and raise families

KEY STRATEGIES:

- protect human rights for all Albertans through the resolution of complaints made under the *Human Rights, Citizenship and Multiculturalism Act* (CD)
- augment crime prevention initiatives and review all aspects of policing (SG)
- enhance services for victims of crime (SG)
- expand youth justice initiatives including the *Alternative Measures Program* and *Intensive Support and Supervision Program* as alternatives to traditional justice sanctions (SG)
- build capacity in schools and communities to provide safe and caring environments (CS, HW, LEARN)
- improve support for families through family law reform (CS, HRE, JUS)
- investigate marketplace practices and take appropriate enforcement actions to ensure compliance with the *Fair Trading Act* (GS)
- partner with government, consumer groups, business associations and the media to increase marketplace awareness and education (GS)
- improve traffic safety through driver education, road safety awareness and motor carrier compliance (TRANS)
- assist municipalities in preparing for emergencies and responding to major disasters (ENV, MA, SRD)

CORE MEASURE:

	CRIME RATE
DESCRIPTION	Alberta's violent and property crime rates expressed as a percentage of the national rate.
TARGET	Reduce Alberta's crime rates below the national rates by 2005.

goal 16 Alberta's renewable natural resources will be sustained

KEY STRATEGIES:

- provide clear, effective direction and guidelines for the use, management, regulation and development of Alberta's renewable resources **(AFRD, ENERGY, ENV, SRD)**
- reduce the impact of natural hazards such as fire, pests, drought and floods on property, people, and resources **(AFRD, ENV, SRD)**
- implement a long-term, environmentally-sustainable approach to agriculture and forest industry development that supports stable economic growth **(AFRD, SRD)**

CORE MEASURES:

RENEWABLE RESOURCE SUSTAINABILITY

DESCRIPTION	Timber sustainability compares the annual timber harvests with the long-term sustainable annual allowable cut. Land quality measures the annual provincial crop yield per acre converted to a standard base of tonnes per acre of wheat.
TARGET	Keep timber harvests at or below the annual allowable cut. Achieve sustainable crop yields of 0.92 tonnes per acre by 2004.

goal 17 The high quality of Alberta's environment will be maintained

KEY STRATEGIES:

- ensure standards are acceptable to maintain the quality of air, land, water and ecosystems **(ENV, SRD, TRANS)**
- ensure public accountability for environmental management by clearly defining roles and responsibilities of federal and provincial governments, as well as industry **(AEDA, ENERGY, ENV, IIR, SRD)**
- provide predictable, consistent, and streamlined regulations for land use and resource management **(AEDA, AFRD, ENERGY, ENV, SRD)**
- maintain current levels of public safety, resources, conservation and environmental protection through effective environmental monitoring and enforcement programs **(AFRD, ENERGY, ENV, MA, SRD)**
- reduce Alberta's greenhouse gas emissions by developing climate change policies and programs while maintaining Alberta's economic advantage **(ENV)**

CORE MEASURES:

	AIR QUALITY
DESCRIPTION	Index of outdoor concentrations of five major air pollutants monitored at eight stations across the province.
TARGET	Maintain air quality levels that are considered 'good' or 'fair' at all times.
	WATER QUALITY
DESCRIPTION	Index of four variable components (metals, nutrients, bacteria, and pesticides) tested monthly at two locations for each of the province's six major river systems.
TARGET	Bring river water quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality.
	LAND QUALITY
DESCRIPTION	Measure of the annual provincial crop yield per acre converted to a standard base of tonnes per acre of wheat.
TARGET	Achieve sustainable crop yields of 0.92 tonnes per acre by the year 2004.

goal 18 Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources

KEY STRATEGIES:

- support and encourage the development of sport and recreation, arts, libraries and culture as essential characteristics in Alberta's quality of life (CD, GAMING)
- preserve, protect and present Alberta's unique history and culture through programs, exhibits, historic sites and museums and interpretive centres (CD)
- coordinate and support a province-wide library system and continue the development and long-term sustainability of the Alberta Public Library Electronic Network (CD)
- protect and manage Alberta's parks and protected areas (CD, SRD)
- improve Albertans' understanding of their environment (CD, ENV, SRD)
- provide Albertans with opportunities to contribute to environmental protection and natural resource management (ENV, SRD)

CORE MEASURE:

HERITAGE APPRECIATION

DESCRIPTION	Reports annual visitations to provincial parks and recreation areas and to provincially-owned historic sites, museums and interpretive centres.
TARGET	1.1 million visitors per year to provincially-owned historic sites, museums and interpretive centres, and 8 million visitors per year to provincial parks and recreation areas.

goal 19 Alberta will work with other governments and maintain its strong position in Canada

KEY STRATEGIES:

- improve fiscal arrangements to ensure that federal revenues are shared fairly among the provinces **(FINANCE, IIR)**
- ensure Alberta's interests are represented and protected in key federal programs and initiatives, and interprovincial and international negotiations **(IIR)**
- work in partnership with local governments to promote healthy and sustainable communities throughout Alberta **(CD, ED, MA, GAMING)**
- continue to promote a strong and united Canada **(all ministries)**

CORE MEASURE:

INTERGOVERNMENTAL RELATIONS

DESCRIPTION	Results of national opinion poll surveying the views of Canadians regarding the performance of their provincial and federal governments in various areas of governance.
TARGET	Maintain the Alberta government's public approval rating in federal-provincial relations equivalent to the average approval rating of the four nearest provinces.

The next four pages present the four priority cross ministry initiatives the government has chosen to highlight in the 2001-04 Government Business Plan.

These types of initiatives require a corporate focus in order to be addressed effectively.

2001-02 CROSS MINISTRY INITIATIVE

Aboriginal Policy Initiative (API)

Purpose: Work with Aboriginal people, federal and municipal governments, industry and other interested parties to improve the well-being and self-reliance of Aboriginal people and clarify federal, provincial and Aboriginal roles and responsibilities.

Related Government Business Plan Goal:

Goal 6 – The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.

Ministry Champions:

Alberta Aboriginal Affairs and Northern Development and Alberta Justice

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Objective: **Improve the health status and well-being of Aboriginal people.**

Strategies:

- Increase the number of community-based primary health and addictions service programs in Metis Settlements and other under-serviced (e.g., remote) Aboriginal communities.
- Increase the percentage of Aboriginal children in care residing in stable long-term arrangements.
- Implement standards for adequate and effective policing services as per the approved implementation plan.
- Increase the number of Aboriginal communities that are served by community initiatives in partnership with Alberta Justice.
- Maintain the number of Aboriginal communities involved in partnerships related to the administration of the Safety Codes Act.
- Increase the number of Aboriginal learners receiving the Aboriginal health careers bursaries.
- Increase the percentage of Aboriginal staff in each Child & Family Service Authority (CFSA) towards the percentage of Aboriginal people in the CFSA population.
- Increase the percentage of Aboriginal children and families receiving culturally appropriate services through their CFSA.

Targets:

- By 2010, reduce by one year, the difference in life expectancy of Registered Indians in Alberta and all Albertans.
- Decrease the number of tuberculosis cases among Registered Indians in Alberta.
- Decrease infant mortality among Registered Indians in Alberta.
- Decrease the percentage of both low birth weight and high birth weight babies born to Registered Indian parents in Alberta.
- Improve the identification of diabetes among Registered Indians in Alberta and decrease the complications arising from the disease (blindness, amputation and renal failure).
- Increase by 10% the number of new Child Welfare agreements or formal innovative arrangements with First Nations.
- 75% of all new CFSA Boards will have Aboriginal Board representation proportional to or greater than the regional Aboriginal population.
- Provide Aboriginal cultural awareness training to 370 Alberta Justice and Alberta Solicitor General staff by March 31, 2002.

Objective: **Improve the educational attainment of Aboriginal learners.**

Strategies:

- Increase the level of educational attainment of Aboriginal students attending provincially supported primary, secondary and post-secondary institutions in Alberta.
- Increase the academic performance of Aboriginal students attending provincially supported primary, secondary and post-secondary educational institutions in Alberta.
- Add to the number and community scope of regulations drafted pursuant to the First Nations Sacred Ceremonial Objects Repatriation Act.
- Increase First Nations access to ethnology collections containing sacred ceremonial objects and other artifacts through improved artifact storage systems, more comprehensive cataloguing, and use of appropriate data base records for collection.

Targets:

- By 2010, the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion (comparable 1996 percentages were 52.2 and 24.9, respectively).
- Increase the percentage of Aboriginal students (students with Registered Indian Status attending Alberta school jurisdictions under tuition agreements) achieving the Acceptable Standard on Grade 3, 6 and 9 Achievements Tests by 1% above the last three-year average.
- Complete consultations with Aboriginal communities, school jurisdictions and post-secondary institutions and have agreements for implementing a unique Aboriginal student identifier in place by March 31, 2002.
- The number of Aboriginal students attending post-secondary institutions (Northern Lakes and Keyano colleges and the Universities of Alberta and Lethbridge). Data for 2001-02 forms the baseline.
- The number of eligible Aboriginal students applying for awards and bursaries for post-secondary studies (Aboriginal Heath Care Bursaries, Alberta Blue Cross Scholarships for Aboriginal Students, Theodore R. Campbell Scholarship, and Robert C. Carson Memorial Bursary). Data for 2001-02 forms the baseline.

Objective: **Increase the participation by Aboriginal people in the Alberta economy.**

Strategies:

- Work with Aboriginal clients in Alberta Human Resources and Employment (AHRE) employment/training programs to help them achieve the same levels of skill improvement as other Albertans.
- Work with Aboriginal clients in AHRE employment/training programs to help them achieve employment outcomes comparable to other Albertans.
- Maintain the number and dollar value of existing Aboriginal fire fighting contracts, and actively work with Aboriginal groups to increase their capacity for additional contracts.
- Increase the per cent of Transportation contracts on Aboriginal lands that include an Aboriginal content clause for the supply of labour, equipment, or material resource supply.
- Initiate new Natural Resource Initiative pilot projects.
- Evaluate at least three (3) pilot projects with Aboriginal organizations and industry to develop consultation strategies with respect to development on Crown land.
- Minimize the number of non-routine wellsite approvals within pilot consultation area.
- Work with Aboriginal communities, industry and other parties to develop an Aboriginal Capacity Building Strategy as outlined in the Aboriginal Policy Framework.

Targets:

- By 2010, the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10 percentage points.
- 80% of Aboriginal participants in Alberta Human Resources and Employment employment/training programs will obtain an improved skill level.
- Alberta Finance will work with Statistics Canada to develop baseline data for 2001 and Aboriginal-specific Labour Force Survey data for 2002.

Objective: **Clarify federal/provincial/Aboriginal roles and responsibilities.**

Strategies:

- Implement a federal/provincial/Aboriginal partnership forum to coordinate action on partnership projects.
- Take coordinated action on federal/provincial/Aboriginal partnership projects.

Target:

- Develop baseline data respecting satisfaction with federal/provincial/Aboriginal partnership activities as measured by partnership surveys.

2001-02 CROSS MINISTRY INITIATIVE

Economic Development Strategy

Purpose: A future of boundless opportunity in a province that's unmatched through ministries working together with business, industry, communities, other governments and public institutions, employees and other stakeholders.

Related Government Business Plan Goals:
Goal 7 – Alberta will have a prosperous economy.

Ministry Champions:
Economic Development, Innovation and Science and Learning

Objective: **Continue to implement Alberta's economic strategy as outlined in "Get Ready Alberta".**
Target: A summary report on progress to date in implementing Alberta's economic strategy.

Priority Areas:

Unleashing Innovation

Strategies:
- Expand leading edge research and development in the province.
- Create an innovation and science culture, starting with Alberta's young people.
- Develop a highly qualified workforce to support innovation and science.
- Encourage the innovative application of new technologies to resource-based industries to sustain future competitiveness.
- Expand the manufacture and export of value-added products and services as a proportion of Alberta's overall economy and exports.
- Expand the knowledge-based economy including the information and communications technology industry.
- Develop the information and telecommunications infrastructure.
- Minimize barriers to business innovation.

Targets01-02:
- % of learning institutions connected to a high-speed network: Kindergarten to Grade 12 – 30%; College/University – 20%.
- Employment growth in the information and communication technology (ICT) sector: 5000 new jobs.
- Level of investment in Research and Development: $1.2 billion.

Leading in Learning

Strategies:
- Provide Albertans with the best education system in Canada.
- Ensure that pre-school children get a healthy start in life and a chance to grow learn and succeed.
- Provide opportunities for Albertans to develop their skills, abilities and talents anytime, anywhere.
- Attract and retain the best and brightest people.
- Expand opportunities for people to re-enter the workforce.

Targets01-02:
- % of Albertans participating in post-secondary education: 33%.
- High school completion rate: 71%.
- % of high school and post-secondary students enrolled in a second language: 25%
- % of participants in employment training who indicate they obtained an improved education or skill level: 80%

Competing in a Global Market place

Strategies:
- Maintain a competitive tax advantage and promote a positive business climate that stimulates and attracts investment activity.
- Promote an integrated resource management strategy.
- Develop and promote international trade and market opportunities.
- Maintain and enhance Alberta's infrastructure.

Targets01-02:
- New jobs: 45,000
- Reduce accumulated debt (net of cash set aside for future debt repayments) to $6.5 billion by March 31, 2002.
- Value-added international exports: $22.4 billion.
- Four-laning of North-South trade corridor (BC border west of Grande Prairie to Coutts): 73% complete.

Making Alberta the best place to live, work and visit

Strategies:
- Alberta will be a leader in innovative approaches to wildlife and parks protection.
- Maintain strong and viable communities.
- Sustain a quality health system.
- Promote the diversity and excitement of Alberta's culture, arts, sports and festivals.
- Promote and encourage volunteerism in Albertans.
- Partner with Alberta's tourism industry to deliver marketing programs and support services.
- Alberta will be a leader in managing climate change issues.

Targets01-02:
- Tourism revenues: $4.5 billion
- % of Albertans rating their health status as excellent or very good: continues to exceed the national average.
- Municipalities connected to the Internet and community network: 97%.
- Workplace safety: Person days lost due to workplace injury and illness continues to be ranked among the three lowest provinces in Canada.
- Crime Rate - The gap between Alberta police reported crime rate and national rate per 100,000 population reduced by 3%.

Objective: **A broadly based, versatile economy.**
Strategy: – Further expand Alberta's value-added sectors.
Target01-02: – Increase the proportion of employment in Alberta's value-added manufacturing and business services to 16% of total employment.

Objective: **A collaborative approach to regional economic development that builds on regional goals, priorities and strengths.**
Strategy: – Develop a collaborative framework to assist regions to identify and pursue regional economic opportunities.
Target: – Under development.

Objective: **Sufficient supply of skilled labour to meet Alberta's economic growth.**
Strategy: – Develop a strategy to ensure sufficient supply of skilled labour to support Alberta's economic growth.
Target: – Under development

2001-02 CROSS MINISTRY INITIATIVE

Seniors Policy Initiative

Purpose: To strengthen the coordination of provincial government programs and services to ensure they continue to meet the needs of current and future seniors.

Related Government Business Plan Goals:

Goal 1 - Albertans will be healthy.
Goal 4 - Albertans will be independent.
Goal 5 - Albertans unable to provide for their basic needs will receive help.

Ministry Champions:

Seniors and Health & Wellness

Objective: **Develop seniors initiative strategic framework and 10-year action plan.**

Strategies:

- Establish several levels of cross ministry committees to develop framework and action plan (January 2001).
- Review current services and programs in relation to the aging population. Review recent government reports and studies, such as ALBERTA FOR ALL AGES: Directions for the Future. Involve seniors and other stakeholders in the development process, as appropriate. (February to October 2001).
- Focus on the following outcomes:
  - Seniors are healthier to a more advanced age (e.g., promote wellness, healthy lifestyles, and good health care, including access to integrated health care services).
  - Seniors are increasingly financially independent (e.g., promote retirement planning).
  - Seniors have more choices about work and retirement (e.g., promote supports for mature workers, such as flexible options for the transition from work to retirement).
  - Seniors have more housing choices and supports to remain living independently in their communities (e.g., support aging in place, and encourage safe and affordable supportive housing options).
  - Communities are increasingly supportive of seniors (e.g., encourage community supports in areas such as urban/rural design; transportation; personal safety; consumer protection; elder abuse; and recreational, social and cultural programming).
  - Informal caregivers and volunteers are given greater recognition and support (e.g., explore options for caregivers such as tax credits, in-home assistance, expanded respite care, and employment leaves).
  - Alberta's workforce is prepared to meet the challenges and opportunities of an aging population (e.g., ensure sufficient numbers of trained people are available to meet the needs of seniors).
  - Lifelong learning increases among all age groups (e.g., expand opportunities for education). (February to October 2001).
- Draft framework and specific initiatives for action in the short-, medium-, and long-term (October 2001). Seek appropriate approvals for framework and action plan, including Cabinet approval. (November/December 2001).
- Finalize framework and 10-year action plan (January 2002).

Target: Initiatives from the action plan are included in ministry business plans, beginning in 2002-05.

Objective: **Establish performance measures and baselines for monitoring progress in the Seniors Policy Initiative.**

Strategies:

- Develop performance measures, including measures to assess outcomes in the focal areas of seniors' health, financial independence, workforce and employment, housing, community supports and care giving, and lifelong learning.
- Identify data sources, collect and collate date, and build databases.
- Establish baseline measures.
- Set targets (January 2002).

Target: Baseline measures and targets established by January 2002.

Objective: **Report annually to Albertans on the progress made in implementing the cross ministry Seniors Policy Initiative.**

Strategies:

- Report progress in implementing initiatives each year in ministry annual reports (First report: July 2003).
- Prepare annually a cross ministry summary report to Albertans on the Seniors Policy Initiative, which includes a report on outcomes based on performance measures and targets.

Target: First Seniors Initiative performance report published on the progress made in 2001-2002 (July 2002).

2001-02 CROSS MINISTRY INITIATIVE

Children and Youth Services Initiative (CYSI)

Purpose: Support the healthy development of Alberta's children and youth through the joint efforts of provincial government ministries, local boards and authorities, families and communities.

Related Government Business Plan Goals:

Goal 2 – Our children will be well cared for, safe, successful at learning and healthy.
Goal 3 – Alberta students will excel.
Goal 5 – Albertans unable to provide for their basic needs will receive help.
Goal 6 – The well being and self-reliance of Aboriginal people will be comparable to that of other Albertans.
Goal 15 – Alberta will be a safe place to live and raise families.

Ministry Champions:

Alberta Children's Services and Alberta Learning

Objective: **Establish new initiatives and strengthen existing initiatives to improve supports and resources for children, youth and families in areas identified as priorities.**

Priority Areas:

Fetal Alcohol Syndrome (FAS) – Prevention and enhanced community capacity.

Strategies:
- Increase number of programs available for women at high risk to give birth to a child with FAS.
- Increase number of high risk women accessing FAS mentoring programs.
- Increase number of professionals across sectors trained in FAS awareness and management.

Target:
- Increase number of high risk women accessing FAS mentoring programs by 12%.

Protection of Children Involved In Prostitution (PChIP) - Coordinated services.

Strategy:
- Increase the number of children apprehended under PChIP who subsequently enter into a voluntary service agreement.

Target:
- 5% increase in the number of children apprehended under PChIP who subsequently enter into a voluntary service agreement.

Student Health Initiative – Integrated health and related support services for students.

Strategies:
- Increase number of students that receive student health services in each service category.
- Increase teachers' satisfaction with the initiative with respect to (i) improved access, range and coordination of services, and (ii) enabling children with special health needs to participate at school to attain their potential and be successful at learning.

Target:
- 75% of student health partnerships meet/exceed their targets in the number of students served in each eligible service category.
- Baseline data regarding teachers' satisfaction to be developed.

Children's Mental Health – Comprehensive system of mental health services.

Strategies:
- Develop provincial integrated draft policy framework.
- Improve stakeholders' satisfaction with improved access and coordination of mental health services to (i) children in care; (ii) children and youth with complex needs; (iii) transitional youth; and (iv) young offenders.
- Increase range of mental health services available to children, youth and families.

Target:
- Provincial integrated draft policy framework in place by November 2001.

Specialized Youth Substance Abuse – Enhancements to AADAC's substance abuse system for youth at risk.

Strategies:
- Increase stakeholders reported access to services for youth at risk of substance abuse.
- Attain high level of target group members' reported awareness of services for youth at risk of substance abuse.

Target:
- 65% of Alberta adolescents will be aware of AADAC's services for youth.

Early Childhood Development Initiatives - Development and enhancement of early childhood development programs.

Strategies:
- Develop Alberta's early childhood development strategy including policy framework, first year investments, implementation strategy and baseline.

Target:
- Develop policy framework for early childhood development by May 2001. Identify first year early childhood development investments by May 2001. Develop implementation strategy of initiatives by June 2001. Develop baseline of current early childhood development initiatives and investments by September 2001.

Objective: **Establish an operational environment within government and community that supports integrated delivery of services for children and youth.**

Strategies:
- Increase joint planning, shared vision and common goals of Children and Youth Services Initiative (CYSI) priorities.
- Increase number of partnering ministries that include children and youth initiatives in their business plans.
- Create partnerships linking the corporate or voluntary sectors with the CYSI.

Targets:
- 100% of CYSI priorities involve joint planning, shared vision and common goals.
- 100% of partnering ministries include children and youth initiatives in their business plans.
- A minimum of two partnerships with the corporate or voluntary sectors linked with CYSI.

Objective: **Increase accountability and strengthen government's policy framework and direction to support children, youth and families.**

Strategies:
- Complete outcome evaluations on four key initiatives.
- Consult with stakeholders and other jurisdictions through conferences and forums.
- Identify linkages and processes between the CYSI and the Aboriginal Policy Initiative.
- Develop strategic coordinated plan to guide communication strategies on services to children and youth.

Targets:
- Release annual status report on Alberta's children in January 2002.
- Put in place a provincially integrated policy framework to address transitional issues facing youth, ensuring linkages with the Youth Secretariat, Persons with Developmental Disabilities Program, Get Ready Alberta, People and Prosperity Initiative, Alberta Youth Employment Strategy, Children's Mental Health Initiative, and the Aboriginal Policy Initiative by September 2001.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

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Aboriginal Affairs and Northern Development

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Pearl Calahasen

Pearl Calahasen, *Minister of Aboriginal Affairs and Northern Development*
April 10, 2001

ABORIGINAL AFFAIRS

VISION

An Alberta where Aboriginal cultures are respected and Aboriginal people participate fully in the Alberta Advantage.

MISSION

To lead the development of government-wide strategies and policies to improve the well-being and self-reliance of Aboriginal people and to guide Alberta's relations with Aboriginal governments, communities and organizations, and other partners.

CORE BUSINESS

The government's priority commitment to Aboriginal people is reflected in the creation of a Ministry of Aboriginal Affairs and Northern Development. The Ministry will:

- provide leadership in the management Alberta's relationships with Aboriginal governments, communities and organizations.
- coordinate strategies in close cooperation with other Alberta ministries, as well as strategic partnerships with Aboriginal governments, communities and organizations, private sector organizations, and other partners.

Key services provided by the department include the following:

- Coordinating Alberta's strategies relating to Aboriginal relations
- Providing information, strategic advice and policy analysis to Alberta ministries, other clients and partners
- Facilitating partnerships that enhance the well-being and self-reliance of Aboriginal governments, communities and organizations
- Administering Metis Settlements legislation
- Settling Indian land claims for which the Province has a responsibility

CLIENTS AND PARTNERS

The department serves the people of Alberta by working towards goals that advance the social and economic well-being of Aboriginal people in Alberta. The department's key clients are the Premier, Cabinet, Caucus, and other departments and agencies of the Alberta government. The work of the department involves partnerships with:

- Aboriginal governments, communities and organizations
- private organizations, institutions and businesses
- other Alberta government ministries
- other governments – federal, provincial, territorial and municipal

Aboriginal Affairs and Northern Development works with Aboriginal governments, communities and organizations to ensure their requests and views are heard within the Alberta government. The department also works with other Alberta ministries to develop policies and strategies to address the needs of Aboriginal people. This includes providing guidance on appropriate protocol and consultation strategies with Aboriginal communities, as well as knowledge of, and sensitivity to, Aboriginal cultures in Alberta.

The department has a strong commitment to teamwork, both within the organization and in partnership with other ministries. The department recognizes that building cooperative relationships with clients and partners is critical to achieving its vision.

GOAL AND STRATEGIES

The department contributes to all three of the core businesses of the Government of Alberta: People, Prosperity and Preservation. The department's key goal is:

- To support Aboriginal people and governments in achieving self-reliance and enhanced well-being.

GOAL 1: TO SUPPORT ABORIGINAL PEOPLE AND GOVERNMENTS IN ACHIEVING SELF-RELIANCE AND ENHANCED WELL-BEING

KEY RESULTS	STRATEGIES
1.1 A coordinated provincial approach to Alberta's relationship with Aboriginal people.	a) Work with other Alberta Ministries in developing the Government of Alberta's Aboriginal goal. b) Implement the cross ministry Aboriginal Policy Initiative by: • Assisting other Ministries to continue developing Ministry-specific Aboriginal strategies and measures for Ministry business plans and annual reports; • Developing, in consultation with provincial departments, First Nations and industry, guidelines for traditional use studies. • Working with other Ministries, First Nations and industry to develop appropriate procedures for consultation regarding development on public lands. • Working with other Ministries, the federal government and Aboriginal leaders to clarify federal, provincial, and Aboriginal roles and responsibilities in Alberta. c) Implement the government-wide Aboriginal Policy Framework with Aboriginal governments and people to address socio-economic, natural resource, governance and responsibility issues. d) Promote government-to-government relationships and initiatives with Aboriginal governments. e) Assist provincial departments and the private and public sector in establishing and maintaining constructive relationships with Aboriginal communities and people. f) Acquire, prepare and distribute Aboriginal-specific data for internal use by provincial departments, Aboriginal governments and organizations, other governments and agencies, the private sector, academic institutions and the public. g) Coordinate Alberta's participation in discussions with federal/provincial/territorial governments and national Aboriginal organizations to help Aboriginal communities in Alberta benefit from national-level initiatives (e.g., enhancing Aboriginal participation in the economy). h) Promote cross-cultural awareness and understanding.
1.2 Increased self-reliance and well-being of Aboriginal communities and people.	a) Work with other Ministries, representatives from industry, Aboriginal organizations and, where appropriate, the federal government to develop a cross-government Aboriginal Capacity Building Strategy. b) Work with Aboriginal governments/organizations to develop policies, strategies and capacity to deliver and be accountable for programs and services within their communities, including the provision of funding and technical support. c) In consultation with other Alberta ministries, Aboriginal people and federal ministries, identify and develop opportunities for Aboriginal communities, organizations and the private sector to work together on joint initiatives. These initiatives may include joint ventures, that enable Aboriginal people to participate in educational, training and economic development opportunities such as involvement in international trade missions. d) Work with the Metis Nation of Alberta Association (MNAA) and provincial ministries to implement the 1999 MNAA Framework Agreement.

KEY RESULTS	STRATEGIES
1.3 Accountable, self-regulating, and self-reliant Metis Settlement governments.	a) Assist the Metis Settlements General Council to develop and implement business plans, including the reporting of accomplishments through appropriate performance indicators. b) With the Metis Settlements General Council, identify opportunities for greater federal government contributions to programs and services for Settlements. c) With the General Council, evaluate the progress towards appropriate governance models, management systems, and economic viability, for the Metis Settlements and for the General Council. Implement improvements to enable the Metis Settlements Transition Commission to be phased out by March 2002. d) Assist the Metis Settlements in developing legislative amendments to improve their governance structure.
1.4 Settlement of those Indian land claims for which the province has a responsibility in a way which is fair and equitable to all parties.	a) Proactively encourage the timely settlement of all outstanding treaty entitlement claims for which the Province has some obligation under the Natural Resources Transfer Agreement. b) Represent the province in all land claims negotiations with the federal government and First Nations and coordinate the participation of relevant provincial ministries. c) Take steps to ensure that the interests of the province, municipalities, third parties and other stakeholders are respected. d) Coordinate the implementation of land claims settlement agreements and ensure that any obligations of the province have been met. e) In cooperation with Alberta Justice, manage Aboriginal land claims litigation in a way which best serves the interests of the Province.

In addition, the department continues to be committed to the goals of the government-wide Corporate Human Resource Development Strategy. The department is implementing a Human Resource Plan with a priority focus on leadership development and succession planning. There is a commitment to enhancement of the existing employee recognition program; the need to ensure that all employees have the skills necessary to achieve current and future goals; and to provide for an ongoing, effective performance management system. The department believes in continuous review and improvement of administrative and human resource management processes.

PERFORMANCE MEASURES/INDICATORS

Aboriginal Affairs and Northern Development has several methods of measuring its performance, including the following:

1. Reports on Department Performance
2. Secondary Indicators
3. Survey of Clients and Partners
4. Public Polling Data

1. REPORTS ON DEPARTMENT PERFORMANCE

The Department will report on performance by using available quantitative data and relevant qualitative data to assess progress. The Department will provide a detailed narrative record of its performance in its Annual Reports.

The Department will report on the strategies outlined under the Government of Alberta Business Plan's Aboriginal Goal (Goal 6) and the cross ministry priority (Aboriginal Policy Initiative).

The Ministry will work with all Ministries to improve the number of data sources with Aboriginal-specific data and the quality of that data. Improved data will be used by Ministries to report progress on improving the well-being and self-reliance of Aboriginal people.

The Department will undertake to develop and implement evaluations of pilot projects.

The Ministry will also provide Reports of the Metis Settlements Appeal Tribunal and the Metis Settlements Transition Commission.

2. SECONDARY INDICATORS

The Ministry will report on a number of secondary indicators that track economic and socio-demographic trends related to Aboriginal communities.

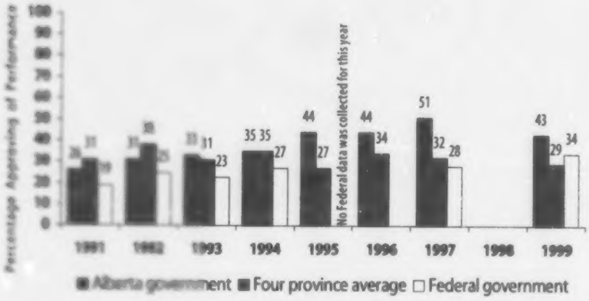
Aboriginal economic and socio-demographic data provide valuable information on the needs of the Aboriginal people in Alberta. This information will assist provincial Ministries in developing policies, programs and services to meet the needs of Aboriginal people and in monitoring the progress of these policies, programs and services. Information will be made available on request to Aboriginal organizations, industry, other governments and other partners.

3. SURVEY OF CLIENTS AND PARTNERS

The Department will undertake to develop and implement a survey of client satisfaction among Alberta Ministers, departments and agencies.

The Department will undertake to develop and implement a satisfaction survey among its partners including aboriginal leaders, governments, communities and organizations as well as private sector and other partners.

APPROVAL RATINGS: ABORIGINAL RELATIONS



Source: Environics 1991-1999

4. PUBLIC POLLING DATA

An important measure of how the Alberta government is performing in the areas of Aboriginal relations is public polling data that measures the performance of the provincial government based on the satisfaction level of Albertans. The polling data does not specifically rate the performance of the department, but tracks the performance of the whole government. However, the department does play an important role in supporting the Premier and his cabinet colleagues in achieving its Aboriginal goal.

Alberta's target is to maintain the government's public approval rating on Aboriginal relations on a par with the average of four other provinces (British Columbia, Saskatchewan, Manitoba, and Ontario). These are the provinces closest to Alberta in terms of geography, history, economic base, social patterns and Aboriginal populations. Alberta's Aboriginal relations approval rating in 1999 was 43 per cent versus a four-province average of 29 per cent and a federal government rating of 34 per cent (see graph at left).

GOVERNMENT-WIDE GOALS

Much of the Ministry's work relates to Goal 6 of the Government Business Plan for 2001-04:

Goal 6: The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.

As well, Ministry strategies contribute to the realization of the following government-wide goals:

Goal 2: Our children will be well cared for, safe, successful at learning and healthy (AA outcome 1.2)

Goal 7: Alberta will have a prosperous economy (AA outcome 1.2)

Goal 8: Our workforce will be skilled and productive (AA outcome 1.2)

NORTHERN ALBERTA DEVELOPMENT COUNCIL BUSINESS PLAN

INTRODUCTION

The mandate of the Northern Alberta Development Council (NADC), as outlined in the Act of Legislature, is to "investigate, monitor, evaluate, plan and promote practical measures to foster and advance general development in northern Alberta and to advise the Government thereon." Northern Alberta includes 60% of Alberta's land mass and has 10% of the Province's population. It is resource rich, with 90% of Alberta's forests, 100% of Canada's oil sands development, nearly 40% of Alberta's conventional oil and gas activity, and 20% of Alberta's agricultural land.

The NADC reports to Cabinet through the Honourable Pearl Calahasen, Minister of Aboriginal Affairs and Northern Development. Gary Friedel, MLA for Peace River, chairs the ten member Council who all live and work in northern Alberta. Current Council members include:

- Art Avery (Fort McMurray)
- Sandra Cardinal (Kikino)
- Doris Courtoreille (Kinuso)
- Berkley Ferguson (Athabasca)
- Ernie Isley (Cold Lake)
- Gerald McIvor (Whitecourt)
- Pete Merlo (Grande Prairie)
- Michael Procter (Peace River)
- Al Toews (Fort Vermilion)

VISION

Northern Alberta has tremendous potential for economic growth. Our vision is to build on these opportunities to achieve a strong northern economy by training northerners, capturing benefits from resource development, adding value to commodities, diversifying the northern economy and by addressing key northern issues.

MISSION

To advance northern development through regional initiatives in partnership with the private sector, community-based organizations and other government agencies.

CORE BUSINESSES

The NADC acts as a catalyst to raise awareness of northern issues and opportunities, and as a facilitator to identify and work toward solutions to northern constraints. We address our goals by consulting with representatives of key northern organizations; undertaking initiatives, often in partnership with other government departments or northern stakeholders, which promote opportunities and address barriers; increasing awareness of education and career options; and offering post-secondary student bursaries to support skill development for northerners. Northerners and others with an interest in northern development are kept informed of our activities through meetings, news releases, a regular newsletter, event advertising and updates on the NADC web site.

The NADC facilitates the development of a thriving and progressive northern economy based on the following goals:

- Receive input into, identify and share information on priority northern development opportunities and issues through the Council's consultation processes;
- Promote opportunities and address barriers to the north's development; and
- Increase northern skill levels.

GOALS AND STRATEGIES

Our business plan is dynamic, as strategies are continually strengthened and refined through the consultation processes. Strategies are pursued that are supported by northern organizations. The NADC is positioned to address emerging opportunities and issues on an ongoing basis, and to adjust strategies as necessary.

We measure our performance based on our three goals. Goal 1 is measured by evaluations distributed at consultation and information events. For Goal 2, clients and project partners who were involved in strategic initiatives under Goal 2 and/or programs under Goal 3 are surveyed. Programs under Goal 3 are measured based on program statistics collected during the year.

GOAL 1: TO RECEIVE INPUT INTO, IDENTIFY AND SHARE INFORMATION ON PRIORITY NORTHERN DEVELOPMENT OPPORTUNITIES AND ISSUES THROUGH OUR CONSULTATION PROCESS

STRATEGIES

- Consult with key community, business and government leaders.
    - host 4-5 small regional consultation forums per year across the north, including one public meeting.
    - meet individually with key stakeholders in northern development.
    - increase consultation in north-eastern Alberta through the new NADC office in Lac La Biche
    - gather input at NADC events.
- Conduct initial investigation of issues and opportunities with appropriate northern stakeholders and government departments. [Cross ministry initiative - Aboriginal Policy Initiative]
- Follow-up on the Challenge North: Planning For Progress 2000 conference, as well as plan for a Year 2003 Challenge North Conference.

PERFORMANCE MEASURE

	1999-00 Actual	2000-01 Target	2001-02 Target	2002-03 Target	2003-04 Target
% of participants who believe NADC consultation processes are an effective mechanism for input	94%	90%	Maintain 90%	Maintain 90%	Maintain 90%

GOAL 2: TO PROMOTE OPPORTUNITIES AND ADDRESS BARRIERS TO THE NORTH'S DEVELOPMENT

STRATEGIES

- Support the implementation of inter-jurisdictional initiatives such as the Alberta/NWT Memorandum of Understanding on Cooperation and Development and joint Federal/Provincial programs. [Cross ministry initiative - Economic Development Strategy]
- In partnership with others, promote northern development opportunities.
    - agricultural value-added, diversification and marketing strategies. [Cross ministry initiative - Economic Development Strategy]
    - tourism industry development. [Cross ministry initiative - Economic Development Strategy]
    - increased Aboriginal participation in the economy. [Cross ministry initiative - Aboriginal Policy Initiative]
    - non-energy mineral resource development. [Cross ministry initiative - Economic Development Strategy]
- Work with communities, businesses and others to identify and address transportation, telecommunications, infrastructure and other concerns. [Cross ministry initiative - Economic Development Strategy]
- Develop new initiatives as required.
- Provide information on northern Alberta in response to requests.

PERFORMANCE MEASURE

	1999-00 Actual	2000-01 Target	2001-02 Target	2002-03 Target	2003-04 Target
% of NADC project partners and clients who believe the Council's project work promoted an opportunity or addressed a barrier to northern development	94%	90%	Maintain 90%	Maintain 90%	Maintain 90%

GOAL 3: TO INCREASE NORTHERN SKILL LEVELS

STRATEGIES

- Increase students' financial capacity to access employment related post-secondary training.
    - offer return service bursaries through the NADC Bursary Program and Bursary Partnerships Program in occupations where there is a northern shortage. Coordinate delivery of Northern Student Supplement Assistance program with Alberta Learning.
    - continue to assess northern employers' occupation requirements; monitor and adjust bursary program focus to align with northern occupation shortages.
- Promote increased availability of training programs to meet northern employment needs and increase awareness of education and career options for northern Albertans.
    - co-sponsor an information clearinghouse with northern colleges that provides timely information on northern economic and employment trends and training needs.
    - provide funding for northern education option initiatives through the Northern LINKS Program. [Cross ministry initiatives - Economic Development Strategy and Aboriginal Policy Initiative]
    - support enhancement and further development of apprenticeship training for northern students, including the development/ delivery of pilot projects.
- Develop new initiatives and assist with other programs as required.

PERFORMANCE MEASURE

	1999-00 Actual	2000-01 Target	2001-02 Target	2002-03 Target	2003-04 Target
NADC Bursary recipients return service rate	74%	75%	Maintain 75%	Maintain 75%	Maintain 75%
Bursary Partnership Program matching funds committed	$125,950	$125,000	$130,000	$135,000	$140,000
Northern LINKS Program - % of students who expect to pursue post-secondary/trades education who indicate their participation in the Northern LINKS Project will ease their transition and encourage program completion	n/a	85%	Maintain 85%	Maintain 85%	Maintain 85%

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Aboriginal Relations	33,411	28,139	28,139	28,256	28,321	28,391
Northern Development	1,307	1,843	1,843	1,954	1,954	1,954
MINISTRY EXPENSE	34,718	29,982	29,982	30,210	30,275	30,345

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	11,300	-	-	-	-	-
Other Revenue	159	161	161	45	45	45
MINISTRY REVENUE	11,459	161	161	45	45	45
EXPENSE						
Program						
Aboriginal Relations	11,427	8,055	8,055	8,365	10,801	11,268
Metis Settlements Governance	11,954	10,084	10,084	9,891	7,520	7,123
Northern Development	1,307	1,843	1,843	1,954	1,954	1,954
Metis Settlements Legislation	10,000	10,000	10,000	10,000	10,000	10,000
Valuation Adjustments and Other Provisions	30	-	-	-	-	-
MINISTRY EXPENSE	34,718	29,982	29,982	30,210	30,275	30,345
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(23,259)	(29,821)	(29,821)	(30,165)	(30,230)	(30,300)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	11,459	161	161	45	45	45
Inter-ministry consolidation adjustments	(11,300)	-	-	-	-	-
Consolidated Revenue	159	161	161	45	45	45
Ministry Program Expense	34,718	29,982	29,982	30,210	30,275	30,345
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**34,718**	**29,982**	**29,982**	**30,210**	**30,275**	**30,345**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(34,559)	(29,821)	(29,821)	(30,165)	(30,230)	(30,300)

APPENDIX

CROSS MINISTRY INITIATIVES

Aboriginal Affairs and Northern Development contributes to the successful achievement of all the cross ministry initiatives that have been identified as priorities for the Government of Alberta. The department co-champions the Aboriginal Policy Initiative, and plays a role in each of the other top priority cross ministry initiatives.

ABORIGINAL POLICY INITIATIVE

Following consultations with Aboriginal leaders, communities, industry, local governments, the federal government and other interested Albertans, the proposed Aboriginal Policy Framework was approved by Cabinet in September 2000.

The Government of Alberta's Business Plan (2001-04) contains a new Aboriginal goal (Goal 6), as well as an Aboriginal Policy Initiative that is one of the four cross ministry initiatives for 2001-04.

The Aboriginal Policy Initiative is focused on:

a) The development of Goal 6 ("The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans").

b) Assisting other Ministries with the development of Aboriginal strategies, performance measures and data collection and analysis for Ministry business plans.

c) The development of appropriate consultation procedures with respect to resource development on Crown land and the development of guidelines for traditional use studies.

d) Analysis of gaps and overlaps in provincial, federal, municipal and Aboriginal community programs, services and funding in Alberta. The Aboriginal Policy Framework also introduces a commitment to develop an Aboriginal Capacity Building Strategy.

Agriculture, Food and Rural Development

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Shirley McClellan, *Minister of Agriculture, Food and Rural Development*
April 10, 2001

INTRODUCTION

Alberta has continued to enjoy economic prosperity in the last several years and the agriculture and food industries have been key contributors.

- Primary agricultural production is Alberta's largest renewable resource-based industry. The primary agriculture sector generated $6.55 billion in farm cash receipts in 1999, which represents 21.5 per cent of Canada's primary agricultural output. During the benchmark period 1989 to 1993, Alberta averaged 20.1 per cent of Canada's primary output.
- Secondary agricultural processing, including the food and beverage processing industries, is a key segment of Alberta's manufacturing sector. A new record for shipments was set in 1999 at $7.8 billion in sales. Approximately 12.9 per cent of Canadian food and beverage shipments are from Alberta, up from 10.9 per cent over the 1989 to 1993 benchmark period.
- Primary agriculture and the food and beverage manufacturing industries combined were the third largest goods producing employer in Alberta in 1999. During 1999, employment in the agriculture and food sectors averaged 101,500 people.
- Sustainable growth in an increasingly competitive market presents many challenges. Distortions in the international market caused by high foreign subsidies and trade barriers contributed to low prices at the farm gate. In addition, the public are constantly demanding new products, guarantees of food safety and assurance that the environment is protected.

POTENTIAL FOR GROWTH IN THE INDUSTRY

The agri-food sector offers significant potential for expansion in the years ahead:

- The industry and the Ministry believe there is an opportunity for the industry to grow to $20 billion in value-added shipments and $10 billion in farm cash receipts by 2010.
- Achieving these growth levels will result in a sizable increase in direct employment in primary production and in the food and beverage sector, as well as contributing to the further development of rural Alberta.

VISION

We are a Ministry of competent and valued staff working together and in partnership with others to achieve a world class industry.

MISSION

We will enable the growth of a globally competitive, sustainable agriculture and food industry through essential policy, legislation, information and services.

Note: The Ministry Goals, Key Results, Measures, Strategies and Actions reflect activities of the Agriculture, Food and Rural Development Department; Agriculture Financial Services Corporation; Alberta Opportunity Company; Alberta Dairy Control Board; Farmers' Advocate; Irrigation Council; Agricultural Products Marketing Council; and Alberta Grain Commission.

CORE BUSINESSES

The Ministry contributes to the government's three core businesses - **People, Prosperity and Preservation.** Our primary focus is on the second core business - working with others to promote prosperity for Alberta through a strong, competitive agriculture and food industry that is sustainable and environmentally responsible. The functions of the Ministry are aligned with government core businesses through the following Ministry core businesses:

Industry Development - focuses on industry growth and development through applied research, technology transfer and business development.

Planning and Competitiveness - focuses on supporting agriculture and rural communities through the development of sound policy, the provision of strategic economic information and programs to support rural development.

Risk Management and Lending - focuses on helping industry reduce its exposure to risks resulting from uncontrollable world markets, weather and interest related events, while minimizing government's exposure.

Sustainable Agriculture - focuses on assisting the industry to enhance sustainability by improving the quality of soil and water resources, production of safe food and increased public confidence in the safety of food products.

GOALS

1. Improved industry competitiveness.
2. Increased amount of value added to industry commodities, products and services.
3. Increased diversity of commodities, products and services.
4. Increased capability of industry to manage business risk and capacity to manage change.
5. Improved environmental stewardship.
6. Continued excellence in food safety.
7. Improved management of the Ministry's resources.

AG SUMMIT 2000

The Ministry's strategic direction has to a large extent been based on a shared industry and government vision. In fall 1999, the Honourable Ty Lund, Minister of Alberta Agriculture, Food and Rural Development, announced *Ag Summit 2000*. The purpose of the Summit was to engage Albertans in a forward-looking dialogue about the challenges and opportunities facing the agriculture and food industry in our province. Over 1,500 people came out to meetings to participate in the Summit dialogue process between February and June 2000. Many others took part through the Summit interactive web site.

Participants proposed many innovative and creative ideas for developing the long-term sustainability of the agri-food industry in our province. At the wind-up workshop attended by 280 delegates from a wide range of Alberta's agriculture and food sectors, participants expressed their willingness to develop action plans for 17 initiatives that they determined to be critical to the future of agriculture and rural development. Industry will be taking the lead in pursuing the initiatives.

The 17 recommended initiatives and a summary of the information gathered throughout the consultation process are included on the Ministry website http://www.agsummit.gov.ab.ca. Strategies in this business plan that address some of the Summit recommended initiatives are designated with a "★". Other strategies are preceded by a "■".

As a result of the Summit, the Ministry is currently reviewing its vision, mission, core businesses, goals and performance measures. This process will involve further dialogue between Ministry staff and industry, and changes will be reflected in future business plans.

PRIMARY CLIENTS

The Ministry will continue to direct most of its efforts towards its primary clients, defined as those people and organizations who are interested in and capable of contributing to a competitive and sustainable agriculture and food industry.

MEASURABLE RESULTS

The Ministry's seven overall performance measures reflect change at the macro level. These macro measures with related benchmarks, forecasts and targets are included on pages 65 to 67. Other measures have been identified on pages 57 to 63 to provide more information on the Ministry's success in achieving the key results for each goal.

The review of the Ministry goals in this planning period will include an assessment of the appropriateness of related measures.

CROSS MINISTRY INITIATIVES

Four cross ministry initiatives engage people from various ministries in finding innovative, effective and productive ways of meeting people's needs. This cooperative approach recognizes the reality that many issues are not isolated to a single ministry. The initiatives are as follows:

1. the Aboriginal Policy Initiative.
2. the Seniors Policy Initiative.
3. the Children and Youth Services Initiative.
4. the Economic Development Strategy.

Actions related to implementation of the four cross ministry initiatives are designated with a "☞".

KEY RESULTS, MEASURES, STRATEGIES AND ACTIONS

The following elements support goals 1 to 7:

- key results (what we expect to achieve)
- measures (how we will know if we are achieving the goals)
- strategies (how we are going to go about achieving the goals)
- actions (what we are going to do specifically to achieve the goals)

GOAL #1: IMPROVED INDUSTRY COMPETITIVENESS

KEY RESULTS	MEASURES
• Improved ability of Alberta's agri-food industry to assess and respond to market opportunities • Increased market share in new and existing markets • Improved industry cost structure	• Reduction in barriers that limit market access and competitiveness • Alberta's market share for priority products in priority markets • Production index for priority products

STRATEGIES:

- ★ Advocate policy, legislation, regulation and institutional reforms that assist industry to respond to growth opportunities.
- ★ Create economic and regulatory conditions necessary for farmers and industry to better respond to available opportunities.
- ★ Encourage applied research, competitive intelligence and technology transfer for the benefit of Alberta's industry.
- ★ Support the further development of management skills.
- ★ Increase awareness of agriculture, its contributions and issues among Albertans.
- ★ Encourage infrastructure and systems that support sustainable growth and diversification.
- ★ Improve the ability of agriculture to attract investment.

ACTIONS:

- ■ Advocate for changes in trade regulations and rules to improve market access.
- ■ Advocate for the elimination of subsidies that distort trade and production.
- ■ Advocate improved Canadian Wheat Board (CWB) programs, policy and legislation to allow for more delivery options including the removal of barley from the CWB.
- ■ Encourage necessary economic and social infrastructure, value chains, transportation and services.
- ■ In partnership with others, conduct adaptive research and introduce new technologies.
- ■ Provide competitive intelligence, strategic information and knowledge for use by industry to identify growth opportunities and constraints.
- ■ Participate in quality assurance on farms and businesses, environmental stewardship and animal welfare.
- ■ Complement workforce training.
- ■ Complement financial services provided by the private sector.
- ■ Encourage development of markets/crops/livestock that best suit unique Alberta conditions and situations.
- ■ Encourage the use of sound business and financial practices.
- ■ Encourage manufacturing through the attraction of new investment, re-investment, consolidation and restructuring.
- ■ Enhance Canada-U.S. border trade relations and support industry in international trade disputes.
- ■ Support and advocate institutional and legislative reforms to enhance competitiveness.

- Continue to support Growing Alberta, Industry Development Funds and agricultural promotion.
- Conduct the surveillance of Alberta's livestock population to address sanitary/technical barriers to trade.
- In partnership with the Canadian Food Inspection Agency and industry, develop an emergency response plan for animal disease incursions.
- In collaboration with private sector institutions, identify and serve entrepreneurs who have viable business ideas, but are unable to find the financing they need with conventional financial institutions.
- Support the rehabilitation of irrigation district water systems to provide a reliable water supply for irrigation and related agricultural and processing users.

GOAL #2: INCREASED AMOUNT OF VALUE ADDED TO INDUSTRY COMMODITIES, PRODUCTS AND SERVICES

KEY RESULTS	MEASURES
• Increase quantity of products processed in Alberta	• Value of production of agriculture and food products
• Growth and development of the value-added sector	• Dollars invested in value-adding in Alberta

STRATEGIES:

- ★ Encourage new and expanded investment in value-added processing.
- Facilitate the development of new value-added products and technologies for use by Alberta's industry.
- Partner with others to enhance skills and pursue opportunities for value-added processing.
- ★ Work with industry to establish supply and value chain linkages.
- Advocate changes to federal policies to encourage value adding.

ACTIONS:

- Work with the existing food processing industry, and entrepreneurs outside Alberta, to encourage expansion and new investment in value-added processing.
- Work with industry to conduct applied/adaptive research and develop new products and new technologies.
- Encourage value-added agriculture through the provision of financial services.
- Examine options for the development of a sustainable municipal industrial wastewater infrastructure program to accommodate new agriculture processing.
- Increase awareness in the agriculture and food industry of the Ministry's financial services respecting the development and expansion of value-added business in rural areas.
- Promote the development of value chains.
- Facilitate the adoption of new technologies, business and technical skills in the industry.
- Work with industry to identify impediments/possible strategies to increase the ratio of processing to production.
- Press the federal government to establish trade policy that will support value adding through zero-for-zero tariffs in oilseed products and other manufactured food products.

- Press the federal government for changes to policies to encourage value-added processing, especially in the grain sector.
- Encourage community readiness for value-added investment.
- Ensure milk is allocated in compliance with government policy to meet market demand.
- ☞ Develop the agriculture and food component of the cross ministry Economic Development Strategy.

GOAL #3: INCREASED DIVERSITY OF COMMODITIES, PRODUCTS AND SERVICES

KEY RESULTS	MEASURES
• Growth in the production of non-traditional commodities, products and services	• Value of production of non-traditional commodities and products • Value of processing in non-traditional commodities and products

STRATEGIES:

- Facilitate the development of alternative uses of agricultural products.
- Ensure the development of technology and knowledge to assist industry diversification.
- ★ Encourage focused research on market opportunity, product development and production adaptability.
- ★ Support the agriculture industry to take advantage of emerging life sciences opportunities.
- Support the development of functional foods and industrial products.

ACTIONS:

- Collaborate with Ag Summit Action Teams on a "Research and Development Strategy for Diversifying Crop and Livestock Production in Alberta" and "Research Centres of Excellence."
- In collaboration with Alberta Economic Development, identify new niche market opportunities.
- Assist industry with the development of Identity Preserved products and systems.
- Develop an "Organics Team" to support potential growth in Alberta's organics industry.
- Support expansion of irrigation to increase opportunities for diversification.
- Work with provincial and federal agencies to develop an integrated life sciences strategy.
- Partner with the Functional Food and Neutraceutical Centre of Excellence to develop new products.
- Attract new capital investment for growth and diversification.
- Develop new value-added technologies for use by Alberta's processing industry.
- Identify leading functional food trends that support opportunities for new food uses.
- Partner in research and development of non-food neutraceuticals, and pharmaceutical uses of crops and livestock product components.
- Develop the Canada-Alberta Irrigation Crop Development Centre.

- Implement the Woodlot Pilot Applied Research and Extension Program in partnership with industry and Prairie Farm Rehabilitation Administration.
- Partner with others to expand research capacity in Alberta's expanding greenhouse industry.
- Partner with industry and other governments to develop applied research, pest monitoring and extension services for Alberta's rapidly expanding potato industry.
- Partner with the Alberta Elk Association and University of Alberta to develop an Elk Centre of Excellence.
- In partnership with Lethbridge Community College, develop an Alberta Aquaculture Centre.
- Support research to resolve bison disease concerns.
- In cooperation with Alberta Environment, implement a new Cervid Health Protocol Importation Program.
- Explore opportunities for industrial egg processing.
- In partnership with the University of Alberta, develop a Bio-infomatics Extension Centre.

GOAL #4: INCREASED CAPABILITY OF INDUSTRY TO MANAGE BUSINESS RISK AND CAPACITY TO MANAGE CHANGE

KEY RESULTS	MEASURES
• Businesses have increased capacity to manage risk	• Increased use of new and existing marketing, processing, production and financial risk management information and tools by the industry
• Reduction in whole farm income variability	• Resolution of policies and regulations that increase risks or constrain industry's ability to manage risk
• Self-reliant businesses that are flexible and adaptable to change	• Government program payments as a per cent of farm cash receipts

STRATEGIES:

- Provide Alberta's agriculture and food industry with unique financial products and services.
- Ensure the availability of appropriate risk management tools and related training for Alberta farmers.
- Ensure the effective development, design and management of appropriate safety net programs.
- Advocate for changes to or removal of policies and regulations that increase risk or constrain industry's ability to manage risk.
- ★ Encourage farmers and agri-business to make changes and/or adjustments to ensure long-term viability.
- Ensure the availability and access to appropriate government emergency service plans in response to any designated weather disaster that has adversely affected Alberta farmers and agri-business.
- Facilitate the development of rural human capital in businesses, organizations and communities through partnerships and targeted programs.

ACTIONS:

- Offer and administer programs including beginning farmer loans, commercial lending, Industry Development Funds and assistance to rural-based organizations.
- Prepare appropriate policies, legislation and regulations that improve industry's ability to manage risk on a self-reliant market-oriented basis.
- Offer and administer all risk crop insurance, hail insurance, forage insurance, Farm Income Disaster Program (FIDP) and compensation for waterfowl and wildlife damage to crops.
- Follow up on recommendations from the Crop Insurance Review, Alberta Opportunity Company/Agriculture Financial Services Corporation Review and Net Income Stabilization Account (NISA) Review.
- Increase awareness of new business and ownership structures as well as alternative business and transfer arrangements.
- Facilitate the development of strategic business options and opportunities.
- Design and deliver tools to support the development of leadership, business management and organizational skills.
- Implement emergency plans, as necessary, and deliver disaster assistance programs in response to catastrophic weather events.
- Continue to look for opportunities to provide insurance coverage for established crops that are not currently covered.

GOAL #5: IMPROVED ENVIRONMENTAL STEWARDSHIP

KEY RESULTS	MEASURES
• Maintenance or improvement in the quality of soil and water resources	• Land productivity index • Water quality index for agriculture (small streams)

STRATEGIES:

- ★ Support and conduct applied/adaptive research and evaluations to find economically sound, environmentally friendly technologies and management practices for crop and livestock production and agricultural processing.
- ★ Support and transfer integrated technology and knowledge to assist the industry in becoming more environmentally sustainable.
- ★ Determine the effect of agricultural production and processing operations on soil, water and air quality.
- ★ Provide guidelines, standards, regulations and legislation for environmental performance requirements to sustain the quality of Alberta's soil, water, air and agriculture land resources.
- Encourage optimal and sustainable management of water resources available to the agri-food industry.

ACTIONS:

- Work with industry groups and research organizations to fund and evaluate technologies and management practices that will reduce odors and nutrient contaminants from livestock operations and from land application of manure.

- Monitor changes in soil, water and air quality to determine the effects of agricultural production and processing operations and respond in an appropriate manner.
- Support the work of the Alberta Environmentally Sustainable Agriculture (AESA) Council, Beneficial Management Practices teams, other government agencies and industry partners to promote the adoption of economically sound and environmentally friendly land, crop and livestock management practices.
- Participate in industry and interdepartmental government efforts to develop a plan to reduce greenhouse gas emissions.
- Assist industry in implementing efficient and sustainable irrigation water delivery and on-farm application.
- Help producers integrate beneficial management practices into their production systems.
- Consult with the livestock industry to develop best management practices, environmental audits and self-assessments, and a peer review process to ensure accepted standards are used in the management of intensive livestock operations.
- Work with a broad range of stakeholders in developing a framework to better balance business and community development with the conservation of farmland and open spaces.

GOAL #6: CONTINUED EXCELLENCE IN FOOD SAFETY

KEY RESULTS	MEASURES
• Safe food from production to consumption • Increased consumer confidence in the safety of Alberta's food products	• Incidence of food safety problems • Total production from Alberta farms that have adopted quality assurance programming • Per cent of production from Alberta food processing plants that have adopted the Hazard Analysis Critical Control Point (HACCP) program

STRATEGIES:

- ★ Facilitate adoption of internationally accepted food safety systems and standards throughout the Alberta food production chain.
- ★ Develop and maintain targeted food safety surveillance systems that validate the safety of Alberta's agriculture and food products.
- Develop and administer essential policy and legislation.
- Strengthen the food safety knowledge and skills of people working in Alberta's agri-food industry.
- Communicate Alberta's standards for food safety to industry and consumers.
- ★ Develop additional knowledge and technology in support of safe food production.
- Respond quickly and effectively to food safety problems.

ACTIONS:

- Support industry in the development/adoption of safe food production protocols based on the principles of HACCP throughout the food system.
- Assist industry in solving food safety problems and provide audit services for industry-driven safe food production programs.

- Survey the level of safety of food products produced in Alberta and develop strategies that facilitate improvement.
- Continue harmonization of legislation that guides safe food production.
- Provide inspection services for provincially licensed slaughter and dairy operations.
- Ensure the safe use of veterinary drugs through the Production Animal Medicine Regulations.
- Provide continuing education and resource materials on food safety and HACCP in partnership with industry.
- Provide science-based information on Alberta safe food production systems and food safety standards to global clients and consumers.
- Provide balanced, scientifically accountable information on controversial food safety issues.
- Ensure Alberta's food industry has access to information on the requirements of trading partners.
- Provide technical leadership in the development of new methods and technologies for the detection of contaminants in food, residues in food and livestock diseases.
- Facilitate the development of a coordinated emergency response plan for food safety issues.

GOAL #7: IMPROVED MANAGEMENT OF THE MINISTRY'S RESOURCES

KEY RESULTS	MEASURES
• Competent, versatile employees	• Percentage of training fund directed to core competencies • Results from Staffspeak survey
• Optimal use of operating and capital resources	• Budget targets met
• Client satisfaction with Ministry services and products	• Results from client survey

STRATEGIES:

- Continue to improve:
  - business planning and implementation
  - the use of information technology
  - human resource development planning and programming
  - fiscal responsibility and accountability
- Integrate planning and program development with other ministries and the Alberta Corporate Service Centre.
- Develop and maintain partnership alliances for the better integration of human and fiscal resources.

ACTIONS:

- Encourage developmental initiatives and training through planning at the employee level and providing support for priority education and training.
- Continue to implement the department's succession plan.
- Continue to build team leadership skills and reward team participation.

- Further develop the Ministry's Internet site (Ropin' the Web) and Intranet site by implementing a portal strategy to enhance access and usability by clients.
- Further develop the Knowledge Management program to strengthen the Ministry's efficiency and capability in harvesting, storing, managing and sharing information, to improve client service.
- Incorporate client feedback in the preparation of the plans and policies of the Ministry; and develop and implement a more formalized process to obtain client feedback on Ministry performance.
- Re-engineer the service delivery and business processes of the Agriculture Financial Services Corporation to improve customer service.
- Build new alliances and work with other lenders to leverage Ministry funds.
- Explore further opportunities with private reinsurers for reinsuring government's risk under the crop insurance and farm income disaster programs.
- Implement an infrastructure management system to optimize the use of provincial financial resources allocated to irrigation infrastructure rehabilitation.

☞ Review Ministry programs relative to the cross ministry Aboriginal Policy Initiative.

- Partner in the cross ministry Alberta Corporate Service Centre Initiative.
- Implement the cross ministry Corporate Human Resource Development Strategy.
- Implement outcomes of the department functional review, to improve efficiencies and enhance the effectiveness of programs and services.
- Utilize electronic technologies to improve and automate the reporting of performance measurement, financial and human resource management information, and expenditure commitment processes.
- Survey Agriculture Financial Services Corporation customers for service delivery satisfaction.

MINISTRY MACRO PERFORMANCE MEASURES

Note: Unless otherwise stated, the 1989-1993 benchmarks for all measures are five year averages for 1989 to 1993. This time period was selected as the most typical period in agriculture relative to overall production and prices for agriculture products. Sources for data are Statistics Canada and Alberta Agriculture, Food and Rural Development.

1. PERCENTAGE OF CANADIAN FARM CASH RECEIPTS ALBERTA FARMERS AND RANCHERS ACCOUNT FOR

Income received by farmers and ranchers from the sale of agriculture products is called farm cash receipts. Government payments, which typically make up less than four per cent of receipts, are also included. This measure shows how Alberta farmers and ranchers are doing relative to other Canadian farmers and ranchers they compete against.

ALBERTA FARM CASH RECEIPTS

	1989-1993 Benchmark	1998 Actual	1999 Actual	2000 Estimate	2001 Forecast	2002 Forecast	2004 Target
Total Farm Cash Receipts ($ millions)	4,625	6,409	6,549	7,400	7,300	7,300	7,500
Alberta as % of Canada	20.1	21.5	21.5	23.1	22.1	21.5	22.1

2. NET CASH INCOME OF ALBERTA FARMERS AND RANCHERS

Net Cash Income is derived by subtracting operating expenses (after rebates) from total cash receipts. This figure is the amount of cash remaining to cover the non-interest part of mortgage payments, purchase capital items, meet living expenses, accumulate savings and cover other non-farm expenses.

NET CASH INCOME

	1989-1993 Benchmark	1998 Actual	1999 Actual	2000 Estimate	2001 Forecast	2002 Forecast	2004 Target
Total Net Cash Income ($ millions)	1,034	1,276	1,157	1,500	1,100	1,000	1,000
Alberta as % of Canada	19.3	20.4	18.2	23.1	17.2	15.9	15.6

3. PERCENTAGE CONTRIBUTION BY ALBERTA'S FOOD AND BEVERAGE INDUSTRY OF CANADA'S TOTAL VALUE OF SHIPMENTS

Income received by Alberta's agriculture and food business processing and manufacturing firms is called value of shipments. This measure shows how Alberta businesses are doing relative to other Canadian businesses.

ALBERTA FOOD AND BEVERAGE INDUSTRIES' VALUE OF SHIPMENTS

	1989-1993 Benchmark	1998 Actual	1999 Actual	2000 Estimate	2001 Forecast	2002 Forecast	2004 Target
Total Value of Shipments ($ millions)	4,867	7,549	7,816	8,400	8,700	8,900	9,200
Alberta as % of Canada	10.9	12.7	12.9	13.1	13.2	13.2	13.3

4. VALUE OF SHIPMENTS OF AGRICULTURE AND FOOD PRODUCTS FROM ALBERTA TO OTHER COUNTRIES

Alberta's farmers, ranchers and agri-businesses ship agriculture and food products throughout the world. This measure illustrates the value of products of Alberta origin exported out of Canada.

VALUE OF AGRICULTURE AND FOOD INTERNATIONAL EXPORTS

	1989-1993 Benchmark	1998 Actual	1999 Actual	2000 Estimate	2001 Forecast	2002 Forecast	2004 Target
Total Value of Exports ($ millions)	2,700	4,923	4,591	5,750	5,700	5,800	6,000
Alberta as % of Canada	23.2	21.7	20.7	22.7	22.3	22.3	22.6

5. IMPORTANCE OF ALBERTA AGRICULTURE, FOOD AND BEVERAGE INDUSTRIES RELATIVE TO ALBERTA'S GROSS DOMESTIC PRODUCT

Agriculture and food industries constitute the largest of Alberta's renewable resources. The comparison of this sector to other sectors of the Alberta economy illustrates its growth and potential.

CONTRIBUTION TO ALBERTA'S GROSS DOMESTIC PRODUCT

	1989-1993 Benchmark	1998 Actual	1999 Actual	2000 Estimate	2001 Forecast	2002 Forecast	2004 Target
Total Agriculture and Food Domestic Product ($ millions)	3,112	4,126	4,250	4,400	4,500	4,500	4,500
% of total Alberta Gross Domestic Product	4.58	4.71	4.62	4.27	4.29	4.29	4.29

6. EMPLOYMENT IN AGRICULTURE AND FOOD

This measure illustrates changes in the level of employment. The agriculture, food and beverage manufacturing industry was the third largest goods producing employer in the province in 1999.

EMPLOYMENT OF ALBERTANS (THOUSANDS)

	1989-1993 Benchmark	1998 Actual	1999 Actual	2000 Estimate	2001 Forecast	2002 Forecast	2004 Target
Primary	95.7	91.6	82.5	83.5	84.0	85.0	86.0
Secondary	18.1	20.4	19.0	19.2	20.0	20.2	21.0
Total	113.8	112.0	101.5	102.7	104.0	105.2	107.0

7. ALBERTA LAND PRODUCTIVITY INDICATOR

This measure records changes in long-term land productivity as indicated by annual crop output. Although year-to-year changes in productivity occur due to variations in weather and growing conditions, the long-term average is effective in showing trends.

OUTPUT EQUIVALENCY (TONNES/ACRE)

	1989-1993 Benchmark	1998 Actual	1999 Actual	2000 Estimate	2001 Forecast	2002 Forecast	2004 Target
Index	0.783	0.886	1.021	0.89	0.90	0.91	0.92

Note: This indicator is the best available proxy for long-term land productivity. Crop production per acre for the various crops grown in Alberta was converted to a standard base tonnes of wheat per acre. This conversion allows for the differences in yields of the various crops. Although soil degradation is still a concern on some lands, most producers are using sound management practices that ensure the long-term sustainability of agriculture in Alberta.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Industry Development	50,356	59,508	58,006	54,905	55,714	56,547
Planning and Competitiveness	32,300	33,304	37,914	33,885	34,199	33,923
Risk Management and Lending	614,562	492,180	625,520	735,293	478,279	488,042
Sustainable Agriculture	56,390	48,664	53,913	58,012	56,116	55,606
Quota Exchange and Restricted Expense	63,202	59,322	72,700	61,661	61,697	61,734
MINISTRY EXPENSE	816,810	692,978	848,053	943,756	686,005	695,852

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	42,820	11,620	11,620	11,620	11,620	11,620
Transfers from Government of Canada	170,674	53,404	78,972	244,005	133,277	134,751
Investment Income	83,959	87,389	98,202	103,563	111,766	118,439
Premiums, Fees and Licences	74,251	80,854	63,141	66,458	83,204	85,071
Other Revenue	70,965	66,241	78,914	66,852	67,002	67,330
MINISTRY REVENUE	442,669	299,508	330,849	492,498	406,869	417,211
EXPENSE						
Program						
Farm Income Support	426,007	201,576	318,997	434,587	189,856	190,727
Lending	25,506	27,624	29,929	31,850	30,727	32,369
Insurance	102,859	189,528	219,205	201,714	193,629	197,077
Planning and Competitiveness	29,519	30,544	34,936	30,989	31,187	30,946
Industry Development	40,355	40,603	46,446	42,137	42,633	43,560
Sustainable Agriculture	27,074	26,910	32,050	29,236	28,647	29,195
Infrastructure Assistance	27,269	28,700	20,520	29,000	27,500	26,500
Quota Exchange and Restricted Expense	63,202	59,322	72,700	61,661	61,697	61,734
Ministry Support Services	14,492	14,729	15,891	15,440	16,062	15,875
Valuation Adjustments and Other Provisions	8,987	8,240	(945)	6,731	7,121	7,114
Program Expense	765,270	627,776	789,729	883,345	629,059	635,097
Debt Servicing Costs						
Agriculture Financial Services Corporation	46,822	60,102	53,130	54,958	51,421	54,975
Alberta Opportunity Company	4,718	5,100	5,194	5,453	5,525	5,780
Ministry Debt Servicing Costs	51,540	65,202	58,324	60,411	56,946	60,755
MINISTRY EXPENSE	816,810	692,978	848,053	943,756	686,005	695,852
Gain (Loss) on Disposal of Capital Assets	(9)	-	-	-	-	-
NET OPERATING RESULT	(374,150)	(393,470)	(517,204)	(451,258)	(279,136)	(278,641)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	442,669	299,508	330,849	492,498	406,869	417,211
Inter-ministry consolidation adjustments	(42,820)	(11,620)	(11,620)	(11,620)	(11,620)	(11,620)
Consolidated Revenue	399,849	287,888	319,229	480,878	395,249	405,591
Ministry Program Expense	765,270	627,776	789,729	883,345	629,059	635,097
Inter-ministry consolidation adjustments	(678)	-	-	-	-	-
Consolidated Program Expense	**764,592**	**627,776**	**789,729**	**883,345**	**629,059**	**635,097**
Ministry Debt Servicing Costs	51,540	65,202	58,324	60,411	56,946	60,755
Consolidated Expense	816,132	692,978	848,053	943,756	686,005	695,852
Gain (Loss) on Disposal of Capital Assets	(9)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(416,292)	(405,090)	(528,824)	(462,878)	(290,756)	(290,261)

Children's Services

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Iris Evans, *Minister of Children's Services*
April 10, 2001

INTRODUCTION

MESSAGE FROM THE MINISTER

The Children's Services Ministry has clearly heard from Albertans that all policy and planning decisions should be determined first and foremost by asking what is in the best interests of children. We have been listening. Through the Children's Forum, Youth Secretariat, Premier's Task Force on Children at Risk and consultations with First Nations and Metis leaders and agencies, the community has become an active participant in identifying priorities and proposing a course of direction for the Ministry's 2001-04 business plan.

The Ministry hosts the partnership for municipally based support services for Family and Community Support Services as well as serving the needs of vulnerable people. Municipalities benefit from solid work done in the areas of early intervention, preventive social services and development of local solutions to local priorities. Family members in need of protection against violence, neglect or any form of abuse will be provided access to shelter and other required supports. New areas of focus in the next three years also include the development of integrated, long-term strategies to ensure children with disabilities have access to specialized programs.

Our business plan is based on the principle that parents have the primary responsibility for children. It is grounded in the "Four Pillars" that led to the establishment of the Child and Family Services Authorities confirming integration of services; community-based service delivery; a focus on early intervention; and the improvement of the well being of Aboriginal children.

Through the integrated partnership of the Alberta Children and Youth Services Initiative, we have reviewed and prioritized recommendations from the Children's Forum and Task Force on Children at Risk Reports and these will be addressed over the next three years. The 18 Child and Family Services Authorities will build and improve on the services delivered at the local level to better meet the needs of children, youth and families in their communities by emphasizing early intervention and healthy beginnings.

On the national stage, Alberta will maintain its leadership role in the advancement of childhood well-being in the areas of early childhood development and youth initiatives. This work will involve building relationships with other governments, families and communities. We are committed to help protect vulnerable children. As a result, the business plan includes ongoing emphasis on protection for children involved in prostitution.

Preventing Fetal Alcohol Syndrome remains a key ministry initiative, and more development will occur through the Alberta Partnership on Fetal Alcohol Syndrome. A number of Alberta Government ministries and community organizations are collaboratively developing initiatives to prevent this disability and to build community capacity for the care and support of those already affected.

Through the annual Great Kids Awards, we will recognize the outstanding contributions of children and youth in their communities and recipients will serve as informal advisors to the Ministry. The Ministry will also continue its collaboration with municipalities on the all night dance parties, Raves, to ensure these events are safe for our young people.

As Colleen Klein stated after the Children's Forum, "the Forum was not an end but rather a starting point – a starting point for the government and for all Albertans concerned about children".

This business plan sets the course to improve the well being of all Alberta's children as well as striving to achieve responsible results for vulnerable Albertans through efficient partnerships and professional services.

Iris S. Evans.

Iris Evans

VISION STATEMENT

Strong children, families and communities.

Our shared vision is an Alberta where children and youth are valued, nurtured and loved; developing to their potential, supported by enduring relationships, healthy families and safe communities. Alberta will be child, youth and family friendly.

MISSION

Working together to enhance the ability of families and communities to develop nurturing and safe environments for children, youth and individuals.

OUR PLANNING ENVIRONMENT

The Ministry is a dynamic and committed partnership between Child and Family Services Authorities, Family and Community Support Services, the Youth Secretariat, the Children's Advocate, the Aboriginal community and the Department of Children's Services. In developing our Business Plan for 2001-2004, we recognize the involvement of our partners and stakeholders who share a common vision for Alberta children, youth and families and our shared accountability for achieving the goals set out in this business plan. The plan demonstrates the Ministry's on-going commitment to the Four Pillars.

The government business plan including the Government of Alberta's three core businesses: People, Prosperity and Preservation, guided the development of this plan. People as a core business are the primary linkage between the two plans. More specifically strategy #2 in the government business plan which states "children will be safe" is the focal point of the Ministry of Children's Services.

OUR SHARED ACCOUNTABILITY – PUT THE CHILDREN FIRST

Enhancing the capacity of communities to plan and implement services to meet the needs of children, youth and families in their area is a priority of the Ministry of Children's Services and will be achieved through program development assistance, training and partnership strategies. This community capacity building supports the Community-Based Service Delivery Pillar. A provincial accountability framework guides our partnership in the delivery of services to children, youth and families, and our partners are consulted in all major Ministry strategic planning. They help to establish the overall strategic direction for the Ministry and ensure that children, youth and families come first in the planning process.

The Ministry Business Plan, being grounded in the Four Pillars, establishes priorities as well as the overall strategic direction of government to ensure that Alberta's children, particularly those at risk, are safe, well cared for, successful at learning and healthy. These are based on the following community priorities:

- Planning and service delivery will be integrated at the community, regional and provincial levels to facilitate barrier-free access to services for children, youth and families (Integration Pillar).
- Community participation will be promoted in the delivery of services. The role of support networks and cultural groups will be integrated and expanded within the

professional delivery of service (Integration Pillar and Community-Based Service Delivery Pillar).

- Collaboration with Aboriginal communities in planning and delivering services for Aboriginal children, youth and families. The values, cultural and spiritual beliefs and customs of First Nations, Metis and other Aboriginal people will be respected and incorporated into services for Aboriginal children, youth and families (Aboriginal Pillar).
- Timely, accessible services will be available to assist and support children, youth and families to develop skills, to build on their strengths, and reduce the need for crisis intervention (Early Intervention Pillar).
- Support will be provided for community advocacy and development of programs focusing on prevention, preservation of families and positive relationships (Early Intervention Pillar).
- Services will be evaluated for cost effectiveness and timely delivery.

FIRST CIRCLE – UNITING FOR CHILDREN FORUM

The Children's Forum united a diverse group of stakeholders to identify and address issues facing children. Themes raised at the Children's Forum gave some direction to the development of the 2001-2004 Ministry Business Plan.

In addition, these themes have been reviewed by all ministries to work toward finding solutions both within individual ministry business plans, and through collaborative strategies. Over the next three years, Children's Services will be working to strengthen current initiatives that support these recommendations and developing new partnerships and innovative solutions to meet the challenges faced by Alberta children and youth.

TASK FORCE ON CHILDREN AT RISK

The Premier's Task Force examined issues affecting children at risk and made recommendations to ensure that their needs are met effectively. Based on these recommendations, Ministries will be building on successful strategies and services that address children's needs as they progress through all key transitional stages of growth and development. Children's Services will be placing a greater focus on strategies to identify at risk children earlier, and strengthening families' skills in parenting.

CROSS MINISTRY INITIATIVES

In partnership with other ministries, Children's Services participates in the Alberta Children and Youth Services Initiative. The aim of this initiative is to develop collaborative priorities and strategies to support Alberta's children and youth to be healthy, ready to learn, well cared for and safe.

Through the Aboriginal Policy Initiative, Children's Services will participate in consultation with other Ministries, to develop government-wide and department-specific strategies and performance measures intended to improve the well-being of Aboriginal people and the capacity of Aboriginal communities and organizations to address their own needs.

INTERGOVERNMENTAL INITIATIVES

The Ministry of Children's Services is working on ways to promote early childhood development in collaboration with the health sector and other governments. In addition, the Ministry is working with other governments and other Alberta ministries to:

- Implement the Early Childhood Development Initiative agreed to by First Ministers.
- Promote a national vision on childhood well-being through the National Children's Agenda.
- Reduce the depth of child poverty through the National Child Benefit Program.
- Continue involvement in the Prairie/Northern Partnership on Fetal Alcohol Syndrome.
- Explore ways to improve child protection through inter-provincial protocols to reduce child victimization, including protection of children involved in prostitution.

SIGNIFICANT TRENDS, ISSUES AND COMMUNITY PRIORITIES

ECONOMIC TRENDS

Economic growth is expected to remain strong, which supports the well-being of Alberta families; however, it has also attracted many families to the Province, who may require Ministry support. The relatively weak agriculture sector has created stress on families in rural areas. In addition, there are issues of economic disparity. In 1996, over 45% of Aboriginal people in Alberta had a total household income of less than $25,000 compared with 26% of the non-Aboriginal population. The unemployment rate for Aboriginal people was 17.4% while the rate for the non-Aboriginal population was 6.8%.

DEMOGRAPHICS

While the total child population will begin to decline after 2001, demographic trends indicate that a greater proportion of children will be moving into the teenage years, emphasizing the need for increased supports to youth. Between 2000 and 2011, the Aboriginal population is projected to increase by 22%, versus 12% for Alberta's total population. The importance of this demographic group for Children's Services is evident in child welfare caseload statistics, which show that over one-third of children in care are Aboriginal.

SOCIAL TRENDS

Alcohol-related birth defects are a widespread problem and many families in Alberta continue to be affected by addiction issues. In Alberta, Aboriginal people represent 39% of the total inmate population in the criminal justice system. As of 1996, 4% of the Aboriginal population had attained a University degree compared with 14% of the non-Aboriginal population. This emphasizes the need for culturally appropriate and accessible services to ensure the well-being and stability of Aboriginal families and communities.

REGIONAL TRENDS

A number of provincial trends have been identified by Child and Family Services Authorities within their Business Plans, including:

- Social issues (suicide, family violence, incarceration, low income, unemployment, educational attainment) impacting Aboriginal children, youth and families, especially

Aboriginal youth, combined with a rapidly growing population, continue to challenge Child and Family Services Authorities to improve service delivery and encourage more participation from the Aboriginal population.

- An increase in the number of children involved in Child Welfare and Handicapped Children's Services and complexity of their situations.
- A shortage of foster homes and specialized placement resources, challenging the quality of placements for children and overburdening of foster parents.
- Shortage of qualified staff, creating human resource vacancies and placing increased pressures in service delivery.

MAJOR AREAS OF EMPHASIS

The following major areas of emphasis for the Ministry Business Plan are based on community priorities identified in the Child and Family Services Authorities' Business Plans, recommendations of the Children's Advocate, Children's Forum and Premier's Task Force on Children at Risk and areas identified for improvement through Ministry performance measures and research. Each of these areas of emphasis may be specifically based on one of the Four Pillars, but Early Intervention will be a focus across all areas.

ABORIGINAL SERVICES

Better outcomes for Aboriginal children, youth and families are the focus of the Aboriginal Pillar. By working with the Aboriginal community, other Alberta Ministries, and other levels of government to enhance the well-being of Aboriginal people in Alberta, these better outcomes will be achieved. Ministries will be working to develop government-wide and department specific strategies and performance measures to improve the well-being and self-reliance of Aboriginal people and communities.

PERMANENT LIVING SITUATIONS FOR CHILDREN

Ensuring continued connection to family and community is important for all children in permanent care. Strategies will continue to be developed to address children's need for stability and long lasting, nurturing relationships. This is the focus for a number of Ministry strategies aimed at preserving the cultural heritage of children in care, maintaining their connection to family and community after adoption, and helping them develop into healthy and happy individuals.

BETTER OUTCOMES FOR CHILDREN IN CARE

Working with stakeholders, such as the Children's Advocate, toward a responsive system that meets the social, emotional and physical developmental needs of children in care through appropriate living situations and long-term planning.

YOUTH SERVICES

Youth must get the services they need, when they need them. Working through the Youth Secretariat, the Youth Advisory Panel, Youth Forum, Youth Focus Groups and as a partner in the Youth Employment Strategy, we will ensure that youth are active participants in identifying relevant issues and shaping Ministry priorities. In addition to improving outcomes for older adolescents that are involved in the child welfare system, the Ministry will work with our partners toward meeting the needs of adolescents with mental health issues and implementing strategies to assist at risk youth making the transition to adulthood. The Ministry will also work to ensure a smooth transition for children, youth and families receiving services through Handicapped Children's Services to services provided through Community Development (Persons with Developmental Disabilities Community Boards).

BUILDING EFFECTIVE PARTNERSHIPS

Developing consultation processes to strengthen and improve working relationships with the Aboriginal community as well as partnerships within Children's Services, other Alberta ministries and across all levels of government will continue to be a priority for the Ministry. We will continue to work with municipalities and Metis settlements to strengthen and support Family and Community Support Services so that local, preventive social initiatives enhance the well-being of individuals, families and communities.

MINISTRY GOALS, MEASURES AND STRATEGIES

Recognizing that the primary responsibility for children lies with the parents and caregivers, Alberta Children's Services provides leadership in building a high quality of life for Alberta children and families through its three core businesses. The core businesses support the Ministry's vision and mission as well as the Four Pillars and reflect the shared goals and accountability of Authorities and organizations, including the Department, that form the Ministry of Children's Services.

CORE BUSINESS 1: PROMOTING THE DEVELOPMENT AND WELL-BEING OF CHILDREN, YOUTH AND FAMILIES

Children's Services works with Ministry partners, through the Four Pillars and more specifically the Early Intervention Pillar, to increase the ability of children to develop to their full potential, by providing prevention, promotion and early supports to children, youth and families. The long-term outcomes that will result for Alberta children, youth and families include:

Children and youth meet individual developmental milestones

- Children become competent, self-sufficient adults

Children, youth and families are healthy and self-reliant

- Children are physically, emotionally, spiritually, mentally and socially healthy
- Youth are able to make a healthy transition into adulthood

Goal 1.1:
To provide opportunities for children and youth to be challenged to reach their potential

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Children and youth participating in childcare programs have their developmental needs met.	A. Percentage of childcare centres that meet critical standards.	100%

STRATEGIES

1.1.1 Support early intervention strategies and family supports for children at risk.
1.1.2 Continue to support the need for on-reserve early intervention and prevention programs.
1.1.3 Promote the implementation of readiness to learn measures for pre-schoolers.
1.1.4 Ensure that best practices for early childhood care and education settings are being shared, implemented, monitored and evaluated.
1.1.5 Initiate a new home visitation or mentoring program for parents of very young children and at risk families.
1.1.6 Examine new initiatives to improve the quality of child care programs.

Goal 1.2:

To provide a continuum of services to support and promote the well-being of children, youth and families

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Families accessing Handicapped Children's Services report a positive impact on their families.	B. Percentage of families accessing Handicapped Children's Services who report the services are having a positive impact on their family.	New measure: baseline data under development.

STRATEGIES

1.2.1 Continue to enhance early childhood development strategies (0 to 6 Initiative).
1.2.2 Continue to enhance and implement a comprehensive, inter-provincial plan for the prevention, intervention, care and support of individuals with Fetal Alcohol Syndrome/Fetal Alcohol Effect.
1.2.3 Continue to promote initiatives that honour the cultural and spiritual needs of Aboriginal children, youth and families.
1.2.4 Conduct program evaluations and integrate the results into ongoing program planning.
1.2.5 Complete a Handicapped Children's Services complex case review to ensure that children are receiving supportive and high quality services.
1.2.6 In conjunction with the Youth Secretariat, work in partnership to enhance supports available to youth making the transition to adulthood, including transition to adult services such as those provided by Persons with Developmental Disabilities (PDD).
1.2.7 Collaborate with other ministries to provide a range of integrated health and related support services to children with special needs (Student Health Initiative).
1.2.8 Continue to work with other ministries to develop a comprehensive mental health system to address the mental health needs of children, including children in care (Children's Mental Health Initiative).
1.2.9 Collaborate with Child and Family Services Authorities to initiate mobile Community Response Team pilot projects to assist children, youth and families in crisis.

Goal 1.3:

To support positive, stable homes and ongoing, nurturing relationships for children and youth in care

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Children in out-of-home placements stay connected to their family and community.	C. Percentage of children, in out-of-home placements, who maintain contact with families, relatives or communities where appropriate.	New measure: baseline data under development.
• Aboriginal children in out-of-home placements stay connected to their family and community.	D. Percentage of Aboriginal children, in out-of-home placements, who maintain contact with families, relatives or communities where appropriate.	New measure: baseline data under development.
• Children in care have stability in their lives.	E. Percentage of children residing in a stable, long-term arrangement within 12 months of Permanent Guardianship Order (PGO).	New measure: baseline data under development.

STRATEGIES

1.3.1 Support Child and Family Services Authorities to develop early support strategies of mentoring, peer support and extended support networks to ensure all at-risk children have access to nurturing adults.
1.3.2 Strengthen Permanency Planning Initiatives, such as the foster/adoption program, family ties and caring families to ensure that children in care have stable homes and enduring relationships.
1.3.3 Actively recruit adoptive families for special needs adoptions.
1.3.4 Develop the Custom Care and Adoptions Initiative in concert with First Nations agencies and Child and Family Services Authorities to improve permanency for Aboriginal children in care.
1.3.5 Implement revised Foster Parent's fee schedule.
1.3.6 Explore the implementation of the recommendations from the Youth Secretariat and the Youth Forums concerning mentoring opportunities for youth at risk.

CORE BUSINESS 2: KEEPING CHILDREN, YOUTH AND FAMILIES SAFE AND PROTECTED

Through preventive approaches and services provided by the Child and Family Services Authorities, in support of the Early Intervention Pillar, the Ministry will continue to ensure that Alberta children, youth and families are safe and free from abuse and neglect. Ministry partners also work to prevent family violence, including supports for elderly people who are abused, and address its impact on children, youth and families. The long-term outcomes for Alberta children, youth and families are:

Children, youth and families are safe and free from abuse

- Children, youth and families will be protected from harm:
    - Children, youth and families have safe out-of-home care
    - Children are safe in their community
    - Parents practice safe child-rearing skills

Goal 2.1:
To protect Alberta children from abuse and neglect

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Children in care stay free from abuse and neglect.	F. Percentage of children who stay free of abuse or neglect while receiving child protection services.	100%
• Increased coordination of services to families and children involved in prostitution.	G. Percentage of service providers reporting improved collaboration and coordination of services related to children involved in prostitution.	New measure: baseline data under development.
• Increased awareness by stakeholders that child prostitution is child sexual abuse.	H. Percentage of respondents to a public awareness survey who indicate that they are aware of activities undertaken by the Ministry and its partners to address issues affecting children involved in prostitution.	New measure: baseline data under development.

STRATEGIES

2.1.1 Support the capacity of First Nations and Metis settlements to deliver protection services and develop and use appropriate performance measures and standards for children in care.
2.1.2 Continue to develop and implement a risk assessment and reduction strategies in child welfare.
2.1.3 Evaluate the implementation of new Provincial Standards for service delivery for Child and Family Services Authorities.
2.1.4 Enhance services in the treatment and prevention for the protection of children as defined under the *Protection of Children Involved in Prostitution Act.*
2.1.5 Initiate a review of the *Child Welfare Act.*

Goal 2.2:
To reduce family violence and address its impact on children, youth and families

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Albertans can access appropriate family violence services when needed.	I. Number of Child and Family Services Authorities that have implemented a training plan to operationalize the *Prevention of Family Violence Act.*	New measure: baseline data under development.

STRATEGIES

2.2.1 Increase education and awareness to service providers, stakeholders and the public on the *Protection Against Family Violence Act* at the local level.
2.2.2 Work in partnership with Child and Family Services Authorities to develop and implement treatment programs for perpetrators, victims and children who witness family violence, and improve access to family violence shelters.
2.2.3 Implement new initiatives for the prevention and treatment of elder abuse.
2.2.4 Examine strategies to provide additional support to on-reserve agencies for reducing family violence through the women's shelters program.

Goal 2.3:
To continually improve the quality of service for children and youth and the competencies of care providers

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Competent and skilled caregivers are available to provide safe environments for children and youth.	J. Percentage of day care staff with level 2 or 3 training credentials.	New measure: baseline data under development.
	K. Percentage of foster parents who complete the mandatory level of training.	100%
	L. Percentage of residential care staff who meet the certification standards.	100%

STRATEGIES

2.3.1 Ensure that children, youth and families receive services that support their well-being including programs which increase the capacity of parents to care effectively for their children.
2.3.2 Improve the Ministry's capacity to coordinate, support and review program evaluations and to use the results in the continuous improvement of services.
2.3.3 Support the development of continuous improvement in child protection services with First Nations delegated agencies.
2.3.4 Continue to improve Child Welfare services through Special Case Reviews and follow up on fatality inquiry recommendations.
2.3.5 Incorporate recommendations from the Youth Secretariat to develop early intervention services for youth in care.
2.3.6 Respond to recommendations from the Youth Secretariat to improve services to youth in care.
2.3.7 Implement competency based training model for child protection workers.
2.3.8 Evaluate and monitor performance of Ministry entities.
2.3.9 Collaborate with Ministry partners to develop financial practices information to assist in Ministry financial management.
2.3.10 Develop information systems and human resource strategies that support effective program delivery and management of services.

CORE BUSINESS 3: PROMOTING HEALTHY COMMUNITIES FOR CHILDREN, YOUTH AND FAMILIES

With the establishment of the Child and Family Services Authorities, the Ministry has a responsibility to involve and support communities in the delivery of services appropriate to their children, youth and families. This approach supports both the Community-based and Aboriginal Pillars. Working with the Child and Family Services Authorities, First Nations and Metis leadership, agencies and organizations, municipalities and Family and Community Support Services, the Ministry will encourage and support the development of family-friendly communities that are better able to identify and respond to the needs of their children, youth and families. Long-term outcomes include:

Strong children, youth and families are a priority for Albertans

- Albertans are aware of the issues faced by their children, youth and families

Communities are responsive to the diverse cultures, values and needs of children, youth and families

- Children, youth and families are connected to their family, community and culture

Goal 3.1:

To support communities to plan, design and deliver services appropriate to their children, youth and families

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Communities have increased capacity to develop and deliver prevention and early intervention programs and services.	M. Number of municipalities participating in Family and Community Support services. N. Number and dollar value of early intervention programs operating under Child and Family Services Authorities and First Nations on-reserve.	Maintain or increase number of municipalities participating in Family and Community Support Services.

STRATEGIES

3.1.1 Continue to build and maintain working relationships with community partners and community-based service agencies through the Child and Family Services Authorities and Family and Community Support Services.

3.1.2 Continue to work with other ministries and entities to improve culturally appropriate services to Aboriginal children, youth and families.

3.1.3 Continue to provide program and enhanced financial support to Family and Community Support Services.

3.1.4 Continue to participate in the development and implementation of the Family and Community Support Services measures project.

3.1.5 Complete a Statutory Review of the *Children and Family Services Authority Act*.

Goal 3.2:
To support Aboriginal people to plan, design, implement, monitor and evaluate services in consultation with their communities

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Aboriginal children, youth and families receive services appropriate to their culture.	O. Percentage of Aboriginal children receiving foster care services from Aboriginal foster homes.	35%
	P. Percentage of Aboriginal board members in each Child and Family Services Authority relative to the percentage of Aboriginal people in the Child and Family Services Authority's population.	Aboriginal CFSA Board representation proportional to, or greater than, the regional Aboriginal population.

STRATEGIES

3.2.1 Work with First Nations and Metis leadership, communities and organizations and other ministries to develop the capacity of First Nations and Metis communities (Aboriginal Policy Initiative, Strengthening Relationships).
3.2.2 Support and collaborate with Child Welfare delegated First Nations agencies to develop a performance measurement framework.
3.2.3 Support operations and governance capacity building for First Nations Agencies with delegated authority for child welfare, through the development and implementation of joint strategic workplans.
3.2.4 Continue to support the Alberta/Metis Framework Agreement Social Services Sub-Committee through joint planning and action.
3.2.5 Support the development of a culturally effective training model for First Nations delegated agencies.
3.2.6 Jointly develop and implement strategies to assist in establishing Aboriginal people as leaders in the design and delivery of initiatives for their children and families.

Goal 3.3:
To increase public understanding and knowledge of issues affecting children, youth and families

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Increased awareness of the issues affecting children, youth and families.	Q. Percentage of respondents to a public awareness survey who indicate that they are aware of issues facing children and youth, and activities undertaken by the Ministry and its partners to address these issues.	New measure: baseline data under development.

STRATEGIES

3.3.1 Support regular provincial forums and public discussion to work towards the well being of children, youth and families.
3.3.2 Support increased knowledge of Ministry partners and the public about the work of First Nations agencies, and the needs of Aboriginal families, communities and service providers.
3.3.3 Work with the Family and Community Support Services Association of Alberta (FCSSAA) to increase the profile of the work of the Municipal/Provincial partnership to address preventive social services issues and opportunities.
3.3.4 Strengthen the knowledge dissemination role of the Ministry to ensure that up to date research results are used in service planning and shared with Albertans and community partners.
3.3.5 Continue to provide leadership in intergovernmental initiatives such as the National Children's Agenda and Early Childhood Development, which promote public understanding of issues affecting children, youth and families.

Goal 3.4:
To increase the involvement of children, youth, families and community partners of the Ministry in decision making

SHORT-TERM OUTCOMES	PERFORMANCE MEASURES	TARGET
• Children, youth and families have knowledge of the role and the services provided by the Children's Advocate.	R. Percentage of respondents report awareness of services provided by the Office of the Children's Advocate.	New measure: baseline data under development.
• Children, youth and families receive services that are influenced by community input.	S. Number of Child and Family Services Authorities who have a formal mechanism in place for community input and feedback.	100%
• Children, youth and families have opportunities to participate in decisions that affect them.	T. Percentage of survey respondents who access selected Ministry services that indicate that they participated in decisions that affect them.	New measure: baseline data under development.

STRATEGIES

3.4.1 Support the Youth Secretariat as a mechanism through which issues affecting youth can be identified and addressed.
3.4.2 Encourage active, meaningful youth participation in Ministry decision-making by establishing Youth Forums.
3.4.3 Strengthen the involvement of First Nations and Metis people in Ministry policy development.
3.4.4 Develop partnerships/strategic alliances with corporations and philanthropic organizations.
3.4.5 Continue to support the Office of the Children's Advocate while exploring the implementation of recommendations from the review of the mandate of the Children's Advocate Office.
3.4.6 Continue leadership of the Great Kids Awards Program.

CORPORATE STRATEGIES AND PARTNERSHIPS

Through its corporate strategies and partnerships both within the Ministry and across Government, Children's Services will implement strategies to ensure our resources are used effectively to improve services and outcomes for Alberta children, youth and families. These ministry-wide corporate strategies support the successful achievement of Ministry goals and core businesses, as well as our ability to accomplish future business plan goals and responsibilities. Corporate partnerships also support a number of key cross ministry initiatives aimed at ensuring that the Alberta government is efficient, effective, open and accountable. The following long-term outcome supports all three Ministry core businesses:

ORGANIZATIONAL RESOURCES SUPPORT DESIRED OUTCOMES FOR CHILDREN, YOUTH AND FAMILIES

Appropriate resources will be provided to support effective service delivery within communities by the Ministry and its Partners, including:

- Strengthening the Ministry Accountability Framework
- Training for service providers
- Information systems to monitor results
- Infrastructure required to deliver services
- Appropriate funding to meet priorities

HUMAN RESOURCES

The Ministry will support enhancement of the skills and knowledge of Ministry staff through professional development and learning opportunities, and address the recognition and retention of high quality service providers in the Ministry and other agencies working with children, youth and families. In accordance with the government Corporate Human Resource Development Strategy, recruitment and retention of qualified, well-trained and experienced staff continues to be a priority throughout the province.

GOVERNANCE

Governance is defined as the exercise of authority, direction and control. Supporting effective and accountable delivery of child and family services through a community-based governance model will be the focus for the statutory review of the *Child and Family Services Authorities (CFSA) Act*. This model will ensure efficient and effective delivery of services while respecting the Minister's responsibility under the government's accountability framework. The review will also be the focus of the Ministry's relationships with other delegated authorities and Family and Community Support Services.

FUNDING ALLOCATION MODEL REVIEW

The Ministry will be establishing a process that involves Child and Family Services Authorities in a comprehensive review of the population-needs based funding allocation model to ensure that it is meeting its objectives in the fair and equitable distribution of provincial funding to Authorities. The review will support fiscal responsibility and accountability as well as the effective allocation of resources to address community priorities.

SHARING INFORMATION ABOUT BEST PRACTICES

The Ministry will create processes for identifying, sharing, implementing and monitoring best practices in the delivery of services to children, youth and families. Children's Services will be on the forefront of issues impacting children, youth and families and to work with our partners within Alberta and across Canada to develop new ways of doing business that integrate preventive approaches into all services and programs delivered by the Ministry. In the intergovernmental arena, Alberta advances its positions and best practices in order to promote child and youth well-being within its jurisdictional responsibilities.

TECHNOLOGY AND INFORMATION MANAGEMENT

The delivery of children's services has undergone significant change with the implementation of eighteen Child and Family Services Authorities, and the creation of the Ministry of Children's Services. The Ministry will develop information systems and strategies that support effective management and accountability, and reporting on results within the overall Corporate Information Management/Information Technology Strategy of Government.

STANDARDS AND MONITORING

Standards must fit within the accountability framework for Children's Services in an atmosphere of continuous improvement and best practices. The development of a revised/ new Provincial Standards Document is a priority for the Ministry. The Provincial Standards will also establish monitoring requirements, responsibilities and mechanisms for monitoring and associated reporting.

PERFORMANCE MEASUREMENT

Children's Services has achieved significant results for children, youth and families over the past year. There is a need to ensure that Ministry performance measurement reflects these results and challenges the Ministry to continue to improve services. The Ministry engages a number of stakeholders to establish meaningful and effective performance measures. These stakeholders include Child and Family Services Authorities, Family and Community Support Services, the First Nations and Metis agencies, communities and organizations and other Ministries involved in Alberta Children's and Youth Initiative.

POLICY RESEARCH, EVALUATION AND INFORMATION DISSEMINATION

Through policy research and program evaluation initiatives, the Ministry will support evidence-based decisions and program policy development. In partnership with our academic and service delivery partners, we will generate, disseminate and utilize quality policy research to inform the work done by the Ministry. The Ministry will work with partners and stakeholders to identify research priorities, and ensure that issues impacting Alberta children, youth and families are identified and addressed in a proactive and preventive manner.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Promoting the development and well-being of children, youth and families	184,572	188,998	214,064	234,345	248,572	251,430
Keeping children, youth and families safe and protected	262,703	285,652	305,799	323,652	343,969	347,735
Promoting healthy communities for children, youth and families	58,990	64,203	67,205	89,601	92,236	92,398
MINISTRY EXPENSE	506,265	538,853	587,068	647,598	684,777	691,563

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Governmental Transfers	1,000	1,200	1,200	1,200	1,200	1,200
Transfers from Government of Canada	80,966	85,554	97,352	108,518	121,752	131,147
Investment Income	24	25	-	-	-	-
Other Revenue	7,803	6,750	8,400	8,996	8,996	8,996
MINISTRY REVENUE	89,793	93,529	106,952	118,714	131,948	141,343
EXPENSE						
Program						
Ministry Support Services	11,682	11,867	13,125	15,989	16,189	16,439
Services to Children and Families:						
Program Support Services	23,602	29,889	38,985	47,956	48,842	49,649
Child Welfare	288,633	314,057	330,749	338,599	362,099	366,028
Children with Disabilities	44,614	41,338	54,682	55,106	60,106	61,106
Day Care	64,437	64,084	64,786	67,656	70,656	71,156
Early Intervention Services	19,793	20,445	25,098	53,172	54,765	54,965
Prevention of Family Violence	10,703	11,517	11,967	13,629	14,629	14,729
Protection of Children involved in Prostitution	2,372	2,600	3,600	5,600	5,600	5,600
Financial Benefits for Children in Need	2,866	3,300	3,300	3,500	3,300	3,300
Fetal Alcohol Initiative	615	1,000	2,000	3,000	3,000	3,000
Family and Community Support Services	36,390	37,819	37,839	42,641	44,641	44,641
Valuation Adjustments and Other Provisions	558	937	937	750	950	950
MINISTRY EXPENSE	506,265	538,853	587,068	647,598	684,777	691,563
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(416,472)	(445,324)	(480,116)	(528,884)	(552,829)	(550,220)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	89,793	93,529	106,952	118,714	131,948	141,343
Inter-ministry consolidation adjustments	(1,000)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Consolidated Revenue	88,793	92,329	105,752	117,514	130,748	140,143
Ministry Program Expense	506,265	538,853	587,068	647,598	684,777	691,563
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**506,265**	**538,853**	**587,068**	**647,598**	**684,777**	**691,563**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(417,472)	(446,524)	(481,316)	(530,084)	(554,029)	(551,420)

Community Development

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Gene Zwozdesky

Gene Zwozdesky, *Minister of Community Development*
April 10, 2001

VISION

A vibrant province where Albertans experience fair opportunity and the quality of life to which they aspire.

MISSION

To ***advance the quality of life for Albertans*** *by providing leadership, support and opportunity so they may participate in the social, cultural and economic life of the province.*

VALUES

In the pursuit of this mission, continued success is based on the following corporate values:

- Commitment
- Innovation
- Integrity
- Positive attitude
- Respect
- Teamwork

MINISTRY CORE BUSINESSES

Alberta Community Development provides leadership in advancing a high quality of life for Albertans through its five core businesses:

1. promoting community development;
2. protecting human rights and promoting fairness and access;
3. ensuring inclusion and participation for Albertans with disabilities;
4. preserving, protecting and presenting Alberta's history and culture; and
5. preserving, protecting and presenting Alberta's provincial parks and protected areas.

1. PROMOTING COMMUNITY DEVELOPMENT

GOAL

To design and deliver programs and services that nurture and support, in partnership with geographic communities and communities of interest, a high quality of life in Alberta.

The capacity for self-reliance of the arts, recreation, sport, library and volunteer sectors is increased through:

- Provision of organizational assistance, financial support, and consultative and facilitation services aimed toward the development of local resources and effective use of volunteers;
- Financial and consultative support for the development of arts and culture, sport, recreation and active living education programs;
- Coordination and financial and consultative support for a province-wide library system and information network;

- Classification of films and arts education/media awareness;
- Effective liaison with, and effective representation of, the Francophone community in the province; and
- Supporting the operations of: the Alberta Foundation for the Arts; the Alberta Sport, Recreation, Parks and Wildlife Foundation; and the Wild Rose Foundation.

2. PROTECTING HUMAN RIGHTS AND PROMOTING FAIRNESS AND ACCESS

GOAL

To design and deliver programs and services that increase understanding and awareness of diversity, foster equality and reduce discrimination so all Albertans have the opportunity to participate in the social, economic and cultural life of the province.

Human rights are protected and fairness and access promoted through:

- Resolution of complaints made under the *Human Rights, Citizenship and Multiculturalism Act*;
- Public education, information and consultation services; and
- Financial assistance to community human rights and diversity projects through the Human Rights, Citizenship and Multiculturalism Education Fund.

3. ENSURING INCLUSION AND PARTICIPATION FOR ALBERTANS WITH DISABILITIES

GOAL

To design and deliver individual-based programs that ensure that Albertans who live with a disability have opportunity to participate in the social, economic and cultural life of the province.

Community inclusion and participation is strengthened through:

- Ensuring the development, maintenance and delivery of quality programs and services to support persons with developmental disabilities;
- Ensuring the community governance system is responsive to individuals with developmental disabilities, their families or guardians, and their community;
- Promoting the inclusion and participation of persons with disabilities in community life;
- Providing advice on policy development and evaluation with respect to the interests of persons with disabilities;
- Investigating allegations of abuse in publicly funded care facilities; and
- Supporting the activities of the Persons with Developmental Disabilities Boards and the Premier's Council on the Status of Persons with Disabilities.

4. PRESERVING, PROTECTING AND PRESENTING ALBERTA'S HISTORY AND CULTURE

GOAL

To design and deliver programs and services that preserve, protect, present and promote appreciation for Alberta's historical resources and culture, and provide significant educational, scientific and economic benefits.

Alberta's history and culture are preserved, protected and presented through:

- Operating, in partnership with cooperating societies, provincial historic sites, museums and interpretive centres; the Provincial Archives of Alberta; and the Northern and Southern Alberta Jubilee Auditoria;
- Identifying, acquiring and/or caring for historical resources of significance to Alberta;
- Delivering public programs and exhibits;
- Acquiring and preserving significant private and government records and making them available for research purposes;
- Regulating land-based development activity to preserve significant historical resources;
- Providing professional and technical advice and funding assistance to parties involved in historical preservation and presentation; and
- Supporting the operations of the Alberta Historical Resources Foundation and the Government House Foundation.

5. PRESERVING, PROTECTING AND PRESENTING ALBERTA'S PROVINCIAL PARKS AND PROTECTED AREAS

GOAL

To manage and maintain Alberta's provincial parks and protected areas to preserve the province's natural heritage and provide opportunities for heritage appreciation, outdoor recreation and heritage tourism.

Alberta's parks and protected areas will be preserved, protected and presented through:

- Preserving a network of provincial parks and protected areas that represents the diversity of the province's natural heritage and related cultural heritage;
- Providing opportunities for Albertans and visitors to explore, understand and appreciate the province's natural heritage;
- Providing a variety of natural landscape dependent outdoor recreation opportunities and related facilities and services; and
- Encouraging Albertans and visitors to discover and enjoy Alberta's natural heritage through outdoor recreation and nature-based tourism opportunities, facilities and services.

LINK TO GOVERNMENT BUSINESS PLAN AND CROSS MINISTRY INITIATIVES

The Alberta Community Development business plan is closely aligned with each of the goals of the Government of Alberta's core businesses of People, Prosperity and Preservation. In carrying out its mandate, the ministry works collaboratively with ministries across government, as well as with community and private sector organizations, to support initiatives that contribute to the government's vision. The ministry will participate in, and provide leadership and support for, the cross ministry policy initiatives: Children and Youth Services Initiative, Aboriginal Policy Initiative, Economic Development Strategy and Seniors Policy Initiative.

In addition, the ministry continues to demonstrate its commitment to ensuring the success of the cross ministry key administrative initiatives: Corporate Human Resource Development Strategy, Alberta Corporate Service Centre Initiative, Corporate Information Management/ Information Technology Strategy, and Alberta One-Window Initiative.

This business plan reflects changes resulting from the government reorganization announced on March 15, 2001. Major additions include responsibility for parks and protected areas (transferred from Alberta Environment) and Persons with Developmental Disabilities Boards, the Premier's Council on the Status of Persons with Disabilities, and the Alberta Brain Injury Initiative (formerly with Alberta Health and Wellness). Responsibility for seniors and housing was transferred to the new ministry of Alberta Seniors, and Executive Council assumed responsibility for the Alberta Order of Excellence Council.

CRITICAL SUCCESS FACTORS AND STRETCH TARGETS

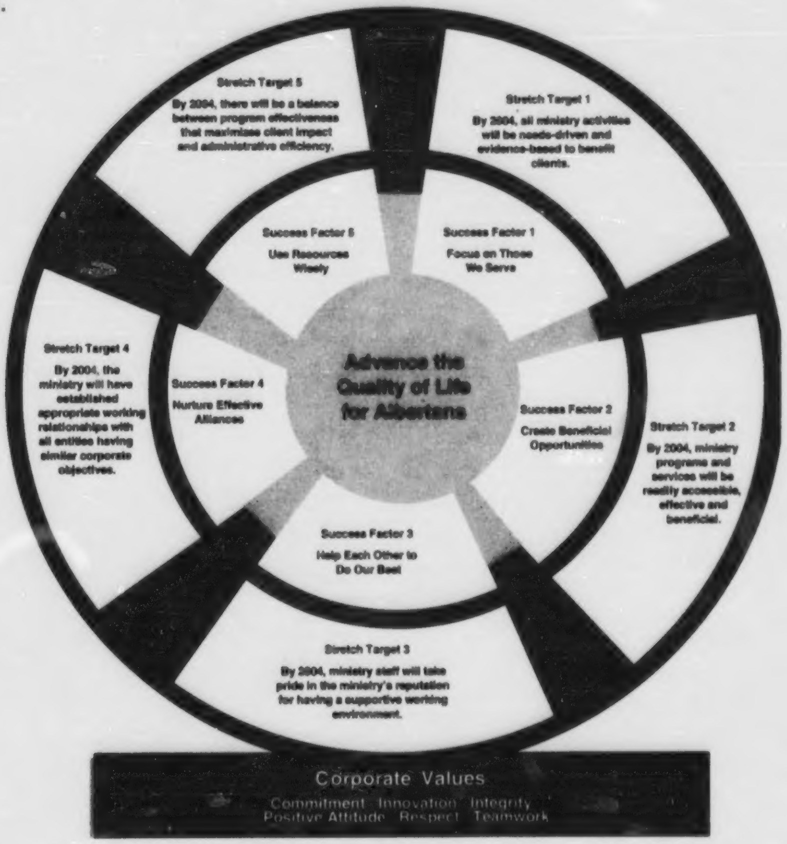
Five success factors that are critical to achievement of the ministry's mission have been identified. To be successful, the ministry must:

1. Focus on those we serve;
2. Create beneficial opportunities;
3. Help each other to do our best;
4. Nurture effective alliances; and
5. Use resources wisely.

The ministry's business planning process has been designed to focus on this crucial link between the critical success factors and the ministry's mission. Each success factor is clarified below and "stretch targets" within each success factor highlight the ministry's commitment to continuous improvement and set the stage for definition of corporate initiatives that will move the ministry forward over the three-year period covered by this business plan.

SUCCESS FACTOR	STRETCH TARGET
Focus on those we serve • The ministry will work with Albertans to identify needs and an appropriate level of service within our legislated mandate and available resources.	• By 2004, all ministry activities will be needs-driven and evidence-based to benefit clients.
Create beneficial opportunities • The ministry will develop policies and deliver programs that advance the quality of life for Albertans through innovation and continuous improvement.	• By 2004, ministry programs and services will be readily accessible, effective and beneficial.
Help each other to do our best • Ministry staff will recognize each other's strengths, aspirations and needs, and work together to facilitate success.	• By 2004, ministry staff will take pride in the ministry's reputation for having a supportive working environment.
Nurture effective alliances • The ministry will seek, create and maintain mutually beneficial relationships based upon shared goals.	• By 2004, the ministry will have established appropriate working relationships with all entities having similar corporate objectives.
Use resources wisely • The ministry will balance its resources to address the changing needs and expectations of our clients, while reflecting government-wide priorities and accountability requirements.	• By 2004, there will be a balance between program effectiveness that maximizes client impact and administrative efficiency.

The diagram below illustrates the relationship between the mission, success factors and stretch targets and the importance of the underlying corporate values in achievement of the mission.


Stretch Target 5
By 2004, there will be a balance between program effectiveness that maximizes client impact and administrative efficiency.
Stretch Target 1
By 2004, all ministry activities will be needs-driven and evidence-based to benefit clients.
Success Factor 5
Use Resources Wisely
Success Factor 1
Focus on Those We Serve
Stretch Target 4
By 2004, the ministry will have established appropriate working relationships with all entities having similar corporate objectives.
Success Factor 4
Nurture Effective Alliances
Advance the Quality of Life for Albertans
Success Factor 2
Create Beneficial Opportunities
Stretch Target 2
By 2004, ministry programs and services will be readily accessible, effective and beneficial.
Success Factor 3
Help Each Other to Do Our Best
Stretch Target 3
By 2004, ministry staff will take pride in the ministry's reputation for having a supportive working environment.
Corporate Values
Commitment Innovation Integrity
Positive Attitude Respect Teamwork

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CORPORATE INITIATIVES

Alberta Community Development has identified a number of key corporate initiatives that cut across the ministry's core businesses or that are significant in moving the ministry towards achievement of the "stretch targets" within each critical success factor. Each core business of the ministry delivers a range of programs and services. In addition to the ongoing activities, there are a number of actions planned that may be unique to the period covered by this business plan. The ongoing programs and services, and those activities designed to meet specific needs or events, are detailed in the division business plans.

FOCUS ON THOSE WE SERVE

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, all ministry activities will be needs-driven and evidence-based to benefit clients.	• Consult with ministry clients about their expectations and needs and seek the views and opinions of Albertans and the organizations that represent them on a variety of topics, including: experiences at museums, historic sites and interpretive centres; arts and culture; libraries; sport and recreation; human rights; persons with disabilities; provincial parks and protected areas; and community development issues. • Encourage use of the government's Service Excellence Initiative *Making Service Stronger* guidebook in all areas of the ministry, including development of service excellence strategies to continuously improve client service. • Enable all Albertans to have the opportunity to participate in society through the protection of human rights and through education to eliminate discrimination and barriers to participation. • Consult with Francophone Albertans to develop an action plan based on their needs, to serve as the basis for negotiation of a federal/provincial cooperation agreement to support development of the community. • Consult with persons with disabilities to identify and eliminate barriers to their participation in the social, economic and cultural life of the province. • Facilitate the development of Alberta's Disability Strategy. • Implement "Alberta's Disability Lens" to evaluate the impact of provincial/departmental policies and programs on persons with disabilities. • Work towards development of an annual "report card" that will monitor improvements in the status of Albertans with disabilities, as determined by indicators such as workforce participation, education levels, accessible housing and transportation, home or attendant care, etc. • Implement directions from the *Building Better Bridges - Final Report* in co-operation with Persons with Developmental Disabilities Boards and other ministries.

CREATE BENEFICIAL OPPORTUNITIES

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, ministry programs and services will be readily accessible, effective and beneficial.	• Develop strategies, including greater use of information technology, to increase access to information and services of the ministry and related organizations. • Participate in the cross ministry Alberta One-Window Initiative to promote one-window access to government information. • Review ministry programs and services to identify opportunities for improving accessibility, effectiveness and efficiency. • Provide leadership, organizational assistance, consultation and facilitation services, educational programs and financial support to organizations, individuals and community-based organizations in arts, libraries, heritage preservation, sport and recreation. • Coordinate Alberta's 2005 Centennial program, which will provide opportunities for all Albertans to participate in the celebrations and leave a legacy for future generations, in partnership with other ministries, foundations, communities, non-profit organizations, municipalities and the federal government. • Improve public access to information through a strong public library network and library systems by increasing funding for costs associated with a growing population. • Ensure the long-term sustainability of the Alberta Public Library Electronic Network, as an integral part of the government information distribution and learning network, through support for network expansion and coordination, training and province-wide data bases. • Continue the Alberta Film Development Program for another two years beyond its original three-year mandate and evaluate the impact of the program on Alberta's film industry. • Contribute to the athletic achievement of Albertans through financial and consultative support to the sport system, including the Alberta Games, Alberta Seniors Games, Western Canada Summer Games, Canada Games, Arctic Winter Games, the 2005 Goodwill Games and the 2001 World Championships in Athletics. • Implement provincial strategy for the 2001 International Year of Volunteers. • Facilitate development of public sector legislation, policies and outcomes that result in improvement in the status of persons with disabilities. • Develop a Community Employment Strategy for adults with developmental disabilities in partnership with Persons with Developmental Disabilities Boards and other groups and organizations. • Maintain care for heritage collections by acquiring, preserving and making accessible the material culture, natural history and documentary heritage of the province. • Maintain care of our natural heritage by managing provincial parks and protected areas to sustain their ecological integrity. • Work with Alberta Infrastructure to: renovate a facility to accommodate a new home for the Provincial Archives of Alberta; improve access to the province's modern heritage facilities for persons with disabilities; develop appropriate storage solutions for the province's heritage collections; pursue capital reinvestment strategies at heritage and other government-owned facilities; and undertake capital projects that support the renewal and effective management of the infrastructure in provincial parks.

HELP EACH OTHER TO DO OUR BEST

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, ministry staff will take pride in the ministry's reputation for having a supportive working environment.	• Further use of, and enhancements to, the ministry Intranet as an effective tool for sharing information on ministry and government-wide initiatives. • Optimize employee access to information technology support, tools and training as an effective means to enable employees to do their best. • Update the ministry Human Resource Plan and continue implementation of the government's Corporate Human Resource Development Strategy, including professional development opportunities, succession planning, learning and professional development accounts, and strategies to recognize long service and to celebrate successes. • Clarify responsibilities for ministry staff and the linkages with branch, division and overall ministry business plans by incorporating "role maps", developed for all levels of the organization, into the ministry performance management process. • Implement strategies to address issues identified through employee surveys and other employee feedback mechanisms. • Implement a Human Resource Strategy to support and stabilize the community rehabilitation workforce working in the area of persons with developmental disabilities.

NURTURE EFFECTIVE ALLIANCES

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, the ministry will have established appropriate working relationships with all entities having similar corporate objectives.	• Strengthen existing alliances with other government ministries, municipalities and other levels of government; post secondary institutions; and community, private sector and non-profit organizations. • Identify and develop new partnerships with other government ministries, municipalities and other levels of government; post secondary institutions; and community, private sector and non-profit organizations. • Contribute to the national goal of reducing physical inactivity through promotion of the Active Living strategy in collaboration with other ministries and agencies. • Support the cross ministry Aboriginal Policy Initiative, in collaboration with Aboriginal communities and other ministries, through such actions as facilitation of capacity-building initiatives, funding support for the 2002 North American Indigenous Games, implementation of provincial policy concerning traditional ceremonial materials, and planning for the establishment of the First Nations Development Fund. • Support the cross ministry Economic Development Strategy by operating provincial heritage and cultural facilities; preserving a network of provincial parks and protected areas that provide natural heritage-based tourism opportunities; partnering with the tourism industry to market tourism opportunities; and delivering education programs that provide opportunities in the arts, sport and recreation, volunteer, human rights and library sectors. • Support the cross ministry Children and Youth Services Initiative through provision of curriculum-based and family-oriented learning opportunities at the ministry's historic sites, museums, interpretive centres and major provincial parks; youth and community environmental education programs to increase environmental understanding and stewardship; and continuation of the Custody to Community Transition Program for young offenders, and the Alberta's Future Leaders Program and Arts Camps for Aboriginal youth.

. . . continued

NURTURE EFFECTIVE ALLIANCES *(CONTINUED)*

STRETCH TARGET	CORPORATE INITIATIVES
	• Work in partnership with Persons with Developmental Disabilities Boards, financial institutions and government to initiate a strategy for appropriate housing options, including home ownership, for adults with developmental disabilities. • Participate in the development of Alberta's tourism policy and programs through the Strategic Tourism Marketing Council.

USE RESOURCES WISELY

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, there will be a balance between program effectiveness that maximizes client impact and administrative efficiency.	• Maximize the efficiency of ministry operations and the effectiveness of ministry services through optimal use of information technology and information management including: planning for the provision of electronic access to the government's heritage collections; improving Internet services to augment electronic access to ministry services and information; and optimizing the provision of planning and technical support to ministry users and for mission critical systems. • Participate in the government's Alberta Corporate Service Centre Initiative and the cross ministry Corporate Information Management/Information Technology Strategy. • Cooperate in the advancement of the government-wide capital planning initiative, including the Corporate Capital Overview, to facilitate planning and priority setting for the ministry's physical infrastructure programs, such as heritage buildings, lands, exhibits and collections, and facilities in parks and protected areas, within a government-wide framework. • Cooperate with provincial and municipal organizations to pilot a model for evaluating sport and recreation infrastructure needs. • Develop an effective means of identifying the capital and operational requirements of the ministry's heritage and cultural facilities, provincial parks and protected areas, and other areas of the ministry's infrastructure. • Ensure appropriate controls and systems are in place to meet the ministry's accountability obligations, including performance reporting systems for the ministry's lottery-funded foundations. • Complete the development and implementation of a new integrated case management system for human rights. • Complete the development of new provincial parks and protected areas legislation to consolidate and streamline existing legislation and provide a sound basis for the management and protection of Alberta's network of provincial parks and protected areas.

PERFORMANCE MEASURES

The ministry assesses its performance in achieving the goals of each core business through a range of performance measures. In the following charts, the ministry key performance measures have been grouped under four overall "measures". Past results and targets are included where available.

MEASURE: PARTICIPATION

	Results 1998-1999	Results 1999-2000	Target 2001-2004
Level of community volunteerism (Core business #1, Success factor #2)	71.5%	72.1%	73%
Percentage of adult Albertans participating in sport and recreational activities (Core business #1, Success factor #2)	78.6%	89.5%	90%
Percentage of adult Albertans using public library services (Core business #1, Success factor #2)	53.2%	53.2%	60%
Percentage of adult Albertans participating in arts and cultural activities (Core business #1, Success factor #2)	New measure	89.6%	90%
Percentage of adult Albertans who have visited an Alberta museum, historic site or interpretive centre (Core business #4, Success factor #2)	New measure	66.1%	67%
Visitation at 18 provincially-owned historic sites, museums and interpretive centres (Core business #4, Success factor #2)	1,051,604	1,027,939	1,050,000
Visitation at provincial parks and provincial recreation areas (Core business #5, Success factor #2)	8,662,000	8,506,898	8,000,000

MEASURE: SATISFACTION

	Results 1998-1999	Results 1999-2000	Target 2001-2004
Customer satisfaction with community development assistance provided (Core business #1, Success factor #1)	Methodology revised	Methodology revised	To be established
Percentage of people receiving Persons with Developmental Disabilities services who report satisfaction with services provided (Core business #3, Success factor #1)	93.6%	Bi-annual survey	94%
Satisfaction of visitors with experiences at provincial historic sites, museums and interpretive centres (Core business #4, Success factor #1)	98.7%	98.3%	99%

MEASURE: QUALITY OF LIFE

	Results 1998-1999	Results 1999-2000	Target 2001-2004
Percentage of adult Albertans who consider the following as important in contributing to their quality of life:			
• Arts and culture	New	87.6%	88%
• Sport and recreational activities	measure	97.2%	98%
• Public libraries		97.5%	98%
• Volunteer activities		98.9%	99%
• Environment free of discrimination		97.2%	98%
(Core business #1 and #2, Success factor #2)			
Percentage of adult Albertans who believe human rights are fairly well or very well protected in Alberta (Core business #2, Success factor #1)	81.7%	83.2%	84%
Percentage of persons with developmental disabilities experiencing an enhanced quality of life (Core business #3, Success factors #2 and #3)	New measure	New measure	To be established
Percentage of adult Albertans who believe that, overall, historical resources are being adequately protected and preserved in Alberta communities (Core business #4, Success factor #2)	New measure	73.9%	74%
Knowledge-gained assessment by visitors to provincial historic sites, museums and interpretive centres (Core business #4, Success factor #2)	90.4%	91.1%	92%
Total area of parks and protected areas in Alberta (Core business #5, Success factors #2 and #5)	68,153 km^2	70,211 km^2	81,000 km^2

MEASURE: ECONOMIC IMPACT

	Results 1998-1999	Results 1999-2000	Target 2001-2004
Impact of the support provided by the Alberta Film Development Program:			
• Number of film production employment opportunities for Albertans	New	1,156	2,400
• Number of productions made each year in Alberta	measure	19	40
• Dollar value of film production by Albertans in Alberta		$19.2 million	$40 million
(Core business #1, Success factors #2 and #5)			
Economic impact of provincial historic sites, museums and interpretive centres			
• Value-added impact	$37 million	$42.7 million	$42.7 million
• Taxation revenue returned to three levels of government	$12 million	$16.5 million	$16.5 million
(Core business #4, Success factors #2 and #5)			

PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

MISSION

To create an Alberta where adults with developmental disabilities are included in community life.

CORE BUSINESSES

1. Ensure the development, maintenance and delivery of quality programs and services to support persons with developmental disabilities;
2. Promote the inclusion of persons with disabilities in community life; and
3. Ensure the community governance system is responsive to individuals with developmental disabilities, their families or guardians and their community.

PERFORMANCE MEASURES

Percentage of persons with developmental disabilities experiencing an enhanced quality of life

Target: New measure. Target to be established.

Percentage of people receiving Persons with Developmental Disabilities services who report satisfaction with services provided

Target: 94% for 2001-02

PREMIER'S COUNCIL ON THE STATUS OF PERSONS WITH DISABILITIES

MISSION

To champion significant improvements in the status of Albertans with disabilities.

CORE BUSINESSES

1. Policy Development
    - Developing strategic umbrella policies regarding the status of persons with disabilities; contributing to the development of public sector legislation, policies, outcomes and targets pertaining to the needs of persons with disabilities; reporting progress towards outcomes; and facilitating coordination of related programs and services.
2. Advocacy
    - Informing and influencing key decision makers on issues of interest and concern to all persons with disabilities.
    - Pro-active public education and social marketing to increase awareness and understanding of disability issues.
    - Addressing and reducing systemic barriers that impede rights and opportunities of Albertans with disabilities.

3. Evaluation
   - Developing standards for and monitoring performance of the support system for Albertans with disabilities, and recommending systemic improvement.

PERFORMANCE MEASURES

In 2001-02, a new performance measure will be developed that will assess the impact of Alberta's Disability Strategy

Target: To be established.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Promoting Community Development	88,628	83,512	103,650	93,175	103,124	115,409
Protecting Human Rights and Promoting Fairness and Access	4,298	4,685	4,673	5,046	4,916	4,991
Ensuring Inclusion and Participation for Albertans with Disabilities	354,254	327,825	342,504	384,207	425,926	473,431
Preserving, Protecting and Presenting Alberta's History and Culture	27,110	35,329	68,538	78,285	35,820	35,634
Preserving, Protecting and Presenting Alberta's Provincial Parks and Protected Areas	34,284	40,246	36,429	42,023	39,843	40,334
MINISTRY EXPENSE	508,574	491,597	555,794	602,736	609,629	669,799

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	72,311	61,021	61,021	108,544	77,774	90,221
Transfers from Government of Canada						
Canada Health and Social Transfer	15,970	14,897	17,071	15,006	15,451	15,034
Other	277	370	370	350	350	350
Investment Income	1,542	1,499	1,524	1,440	1,365	1,365
Premiums, Fees and Licences	3,646	8,571	6,595	8,918	8,806	8,806
Other Revenue	18,202	6,400	8,132	9,762	7,752	7,502
MINISTRY REVENUE	111,948	92,758	94,713	144,020	111,498	123,278
EXPENSE						
Program						
Promoting Community Development	86,727	81,430	101,565	90,995	100,908	113,178
Protecting Human Rights and Promoting Fairness and Access	3,862	4,211	4,198	4,550	4,412	4,483
Ensuring Inclusion and Participation for Albertans with Disabilities	355,818	327,223	341,902	383,605	425,324	472,829
Preserving, Protecting and Presenting Alberta's History and Culture	23,320	31,170	64,375	73,931	31,392	31,178
Preserving, Protecting and Presenting Alberta's Provincial Parks and Protected Areas	34,710	40,118	36,301	41,895	39,715	40,206
Ministry Support Services	5,847	6,626	6,634	6,941	7,059	7,106
Valuation Adjustments and Other Provisions	(1,710)	819	819	819	819	819
MINISTRY EXPENSE	508,574	491,597	555,794	602,736	609,629	669,799
Gain (Loss) on Disposal of Capital Assets	13	2,320	655	2,320	2,320	2,320
NET OPERATING RESULT	(396,613)	(396,519)	(460,426)	(456,396)	(495,811)	(544,201)

Consolidated Net Operating Result

(thousands of dollars)	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	111,948	92,758	94,713	144,020	111,498	123,278
Inter-ministry consolidation adjustments	(72,311)	(62,701)	(61,676)	(110,224)	(79,454)	(91,901)
Consolidated Revenue	39,637	30,057	33,037	33,796	32,044	31,377
Ministry Program Expense	508,574	491,597	555,794	602,736	609,629	669,799
Inter-ministry consolidation adjustments	1,362	(4,000)	(2,108)	(4,000)	(4,000)	(4,000)
Consolidated Program Expense	**509,936**	**487,597**	**553,686**	**598,736**	**605,629**	**665,799**
Gain (Loss) on Disposal of Capital Assets	13	2,320	655	2,320	2,320	2,320
Inter-ministry consolidation adjustments	-	(4,000)	(2,108)	(4,000)	(4,000)	(4,000)
CONSOLIDATED NET OPERATING RESULT	(470,286)	(459,220)	(522,102)	(566,620)	(575,265)	(636,102)

Economic Development

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Mark Norris, *Minister of Economic Development*
April 10, 2001

INTRODUCTION

Over the last seven years, Alberta's economy expanded significantly. Economic growth averaged 4.6% a year. Almost 293,000 new jobs were created. Investment and exports increased and the economy diversified significantly. According to the Centre for the Study of Living Standards, Alberta's total economic productivity increased at an average annual rate of 2.11% between 1989 and 1998, which was the highest rate in Canada.

Alberta's demonstrated economic strength does not guarantee continued success for the future. Decisions need to be made today to sustain our economic future. Alberta Economic Development (AED) leads the Government of Alberta in taking these necessary steps. In this role, the department coordinated the development of Alberta's new economic strategy ***Get Ready Alberta – Strengthening the Alberta Advantage.***

The world is changing quickly. Globalization, fluctuating commodity prices, changing technology, the rapid growth of the internet, workforce and skill shortages, and competing land use issues are very real challenges. Continued strong performance is predicated upon the ability of the province to turn challenges to opportunities and opportunities to sustainable growth and prosperity.

Alberta Economic Development has three primary focuses to address these challenges:

- Working with the Alberta Economic Development Authority (AEDA), the private sector and across other departments and governments, AED provides strategic leadership for Alberta's economy by identifying the constraints to, and opportunities for, economic sustainability.
- With the increasing integration of the world economy, capital, people, and knowledge can move more easily; new economy businesses can locate anywhere. Alberta must focus on maintaining a business environment that is globally competitive and fosters sustained economic growth. To address these challenges AED is developing strategies to focus on key value added sectors that offer the greatest return. The department also continues to lead Alberta's International Marketing Strategy (AIMS). AIMS articulates the geographic markets where government resources will be focused.
- Alberta Economic Development's mandate also includes tourism. Tourism is a unique industry due to the diverse stakeholder group, and the involvement of all levels of government. These factors contribute to the complexity of issues such as recreational and tourism land use, national parks development, and future growth of the tourism industry. AED identifies challenges and develops and advocates integrated solutions. AED also works closely with the Strategic Tourism Marketing Council, and through Travel Alberta, to deliver international and regional marketing initiatives consistent with the Strategic Tourism Marketing Plan.

In addition to the department, the Ministry of Economic Development also includes the Alberta Economic Development Authority, the Strategic Tourism Marketing Council, and the Travel Alberta Secretariat.

The Alberta Economic Development Authority consists of over 90 volunteers from the private sector and acts as a high-level policy advisory group to the government concerning key economic development and industry competitiveness issues. This unique relationship with the private sector ensures Economic Development's goals are achieved in partnership with business and industry.

The Strategic Tourism Marketing Council, made up of volunteers from the tourism industry and the provincial government, establishes the Strategic Tourism Marketing Plan. The

Council is a cooperative effort between government and the private sector with a mandate to maximize the effectiveness of investments to increase tourism activity within Alberta.

The Travel Alberta Secretariat consists of a small group of marketing professionals that provide assistance to the Council and are responsible for implementing and coordinating the strategic marketing plan.

VISION

Alberta is the best place in the world to live and do business.

MISSION

To promote **Alberta's continuing prosperity.**

VALUES

Alberta Economic Development is committed to building and maintaining strong partnerships and alliances with Alberta businesses and communities to facilitate the development of Alberta's markets, international trade, investment attraction, and tourism. We provide competitive and market intelligence and bring business solutions to issues faced by Alberta businesses. Our future lies in capturing new ideas, work processes, and the promotion of best practices so we can help Alberta businesses successfully compete in the global marketplace.

We value service and results orientation, accountability, and creativity in our employees. We respect each other's skills and expertise, and encourage the sharing of knowledge between colleagues to increase individual expertise, competitive intelligence, and technical capabilities. We adhere to the principle of fairness in our business dealings with our clients and each other. We value our products: The delivery of the right information in the right timeframe to impact industry investment decisions.

CORE BUSINESSES

Focusing on our primary clients*, we work to achieve our mission across the province by concentrating on the following three core businesses:

Core Business 1:	*Strategic Leadership for Economic Development Policy and Planning* - Provide strategic leadership for Alberta's economic development.
Core Business 2:	*Market Development and Investment Attraction* - Promote increased trade of Alberta goods and services, and attract investment to Alberta.
Core Business 3:	*Tourism Marketing and Development* - Stimulate the growth of Alberta's tourism industry.

Core Business 1: The department, in partnership with the Alberta Economic Development Authority and the Council of Economic Development Ministers, focuses on the key economic performance challenges and opportunities facing the province. Together, we identify diverse opportunities and strategically map out markets and sectors that make the greatest difference to Alberta's economic performance. Current challenges facing our continued economic prosperity include workforce and skill shortages, changing technology, the rapid growth of the internet, a competitive global marketplace, competing land use, resource limitations and intense competition for investment.

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*Primary Clients - Those enterprises with the desire and resources available to achieve growth within Alberta.

Core Business 2: The department's market and industry development has four main components. The first component is trade development, specifically the export of Alberta's manufactured/value-added goods and services. Working closely with companies that export from Alberta, the department provides market intelligence, facilitates business contacts and increases awareness of Alberta and companies capabilities in our primary and secondary markets as outlined in table 1. We offer services through a network of international and Alberta-based offices.

TABLE 1 GEOGRAPHIC PRIORITY MARKETS AS DEFINED BY ALBERTA'S INTERNATIONAL MARKETING STRATEGY

	GROUP A	GROUP B
North America	United States Mexico	
Asia - Pacific	Japan China South Korea Taiwan	Australia Hong Kong
European Union	Germany United Kingdom	France Netherlands
South America		Argentina Brazil Chile Venezuela
Mid East & South Asia		India Iran Saudi Arabia

Group A are high priority markets and where the bulk of the department's international marketing resources are focused. Group B represents important markets for Alberta's exports with significant potential for the future.

A second component of the business is investment attraction. The department markets Alberta both domestically and internationally as a desirable location for increased investment, locating/relocating businesses and skilled workers, in targeted sectors. The department provides information to companies and individuals who may be interested in expanding or locating in Alberta that help companies assess Alberta and select an appropriate destination.

The third component is directed at fostering development throughout all regions of the province. The department provides economic information about Alberta communities, encourages best practices among local economic development officers, supports regional alliances and encourages the retention and expansion of businesses and investment in small town Alberta.

Finally, the department works closely with industry associations and other governments to encourage industry growth, particularly in the key sectors as outlined in Table 2. The department monitors the business climate for value-added sectors, provides strategic information to companies, and participates in projects that encourage the private sector to grow and expand in Alberta. The department focuses on key issues affecting productivity and industry competitiveness.

TABLE 2 STRATEGIC APPROACH FOR VALUE-ADDED SECTORS

SECTOR	STRATEGIC APPROACH	PRIORITY MARKETS	
		Investment	Exports
Aerospace	• Facilitate industry training and encourage the development of process and product technologies. • Support the identification and pursuit of local, national and international business opportunities. • Encourage strategic alliances and facilitate investment attraction.	United States	United States
Agriculture and Food	• Position priority products and deliver services in priority markets in cooperation with clients and stakeholders. • Introduce new Alberta exporters and agri-food products to the marketplace. • Conduct targeted market research and provide market intelligence to clients and stakeholders.	United States, Japan, Taiwan, Hong Kong, China, Netherlands, Germany, U.K.	United States, Japan, China, Taiwan, Korea, Mexico
Architecture, Engineering and Construction	• Facilitate the development, acquisition or application of new technologies and business best practices. • Facilitate the formation of business alliances and increased collaboration with manufacturing industries. • Support the identification and pursuit of opportunities for local industrial projects and International Financial Institution (IFI) funded projects.	Canada, United States, Germany, U.K.	United States, Mexico, Brazil, Venezuela, Persian Gulf Region, China
Building Products	• Encourage export readiness, and support the identification and pursuit of international marketing opportunities. • Encourage development and investment in innovative, energy efficient environmentally friendly value-added building products and systems. • Partner with industry associations to promote their growth and address trade and regulatory barriers.	Canada, United States, Germany	United States, Japan
Environmental Products and Services	• Promote Alberta's Environmental Products and Services sector to pursue targeted international markets. • Assist sector firms to identify, develop, acquire, transfer, and apply new technology and processes to maintain and enhance competitiveness and pursue new markets. • Partner with sector industry associations to promote their growth and complement their priorities and activities.	Canada, United States	United States, South America, SE Asia, Mexico
Healthcare Products and Services	• Facilitate the development and application of new technologies. • Facilitate training and education in product development, commercialization and manufacturing. Facilitate the formation of business alliances for the financing and pursuit of international markets. • Leverage of procurement opportunities for the testing and introduction of new products.	Canada, United States, Germany, U.K.	United States, Europe, Japan
Information, Communication and Technology	• Promote Alberta as a preferred location for technology research and development, commercialization, and investment. • Work with industry to create an environment that grows, attracts and retains high technology businesses and highly skilled workers. • Form collaborative international agreements in technology-related research and development and technology commercialization.	Canada, United States, Southeast Asia (Singapore, Taiwan, Japan, Korea), China and Europe (Belgium, Germany, France)	United States, Southeast Asia, Europe

TABLE 2 STRATEGIC APPROACH FOR VALUE-ADDED SECTORS *(continued)*

SECTOR	STRATEGIC APPROACH	PRIORITY MARKETS	
		Investment	Exports
Industrial Machinery and Equipment	• Support the identification and pursuit of supply opportunities in local, national and international markets. • Encourage movement up the value chain. • Facilitate the effective and efficient use of technologies, processes and systems, and the attraction of investment.	Canada, United States, Germany	United States, Mexico, Brazil, Venezuela, China, Australia, North Africa, India and Persian Gulf
Petrochemicals	• Encourage companies to invest, cooperate and seek synergies that will strengthen the entire sector. • Advocate policies in Alberta which facilitate growth of the industry. • Promote partnering and alliances, with other groups, and other sectors of the economy.	Canada, United States, Germany, U.K., France, Japan	United States and Asia
Value-Added Wood Products	• Work with industry and other departments to implement a long term forest products strategy. • Promote partnering and alliances between primary and secondary wood product sectors. • Develop export market and market access information for specialty wood products in key markets.	Canada, United States, Asia	United States, Japan, SE Asia, Europe

Core Business 3: Tourism is a unique industry with significant potential for Alberta. The department's core business is to market Alberta as a global destination, deliver information to visitors through a variety of means and develop the industry's tourism product.

In conjunction with the Strategic Tourism Marketing Council and regional destination and marketing organizations, the department uses Travel Alberta to deliver regional and international marketing programs. The department also fulfills requests for information through Visitor Information Centres, a call center and Travel Alberta's website (www.travelalberta.com). The department also helps to develop the industry by carrying out research, developing tourism policies and providing information to industry that helps to position new tourism products in Alberta.

The rolling three year Strategic Tourism Marketing Plan provides the marketing focus of the Alberta tourism product. This focus consists of four geographic regions that reflect consumer interest in Alberta tourism products as detailed below.

GEOGRAPHIC REGIONS	PRIMARY TARGETS
Americas	• California, Texas, Illinois, Pacific Northwest, British Columbia, Saskatchewan and Ontario
Asia Pacific	• Japan, Taiwan, Australia
Europe	• U.K., Germany, Switzerland, Austria
Alberta/Regional	• Province Wide

GOALS AND KEY STRATEGIES

The department works in partnership with the Alberta Economic Development Authority, the Strategic Tourism Marketing Council, businesses, industry associations, and other provincial departments and governments to achieve the following goals related to its core businesses.

GOAL 1: ALBERTA HAS A VIBRANT AND VERSATILE ECONOMY

OBJECTIVE	KEY STRATEGIES
1. Ensure the most important challenges and opportunities facing the Alberta economy are addressed.	• Lead the implementation of the Cross Ministry Economic Development Strategy and participate in other Cross Ministry initiatives that influence the province's prosperity. • Provide support to the Alberta Economic Development Authority and its committees. • Support the work of the Council of Economic Development Ministers. • Assess the drivers of Alberta's competitive position and ensure integrated policies are developed to maintain the Alberta Advantage. • Monitor and communicate results of long-term trends for the Alberta economy. • Provide business and economic information to support our stakeholders in their decision-making processes.

GOAL 2: ALBERTA'S BUSINESSES, COMMUNITIES AND INDUSTRY SECTORS ARE GLOBALLY COMPETITIVE

OBJECTIVE	KEY STRATEGIES
1. Increase exports of Alberta manufactured/ value-added goods and services.	• Provide competitive intelligence, market information and knowledge to support companies in identifying and accessing marketing opportunities within target markets. • Create partnership networks and alliances to increase Alberta-based companies leverage in target markets. • Showcase Alberta abroad to support market entry by Alberta exporters and to promote the province as an attractive place to invest. • Promote capabilities, products and services of export-ready Alberta businesses in international markets. • Support Alberta companies pursuing capital projects financed by International Financial Institutions (IFIs) by promoting an awareness of Alberta within IFIs, providing market intelligence on IFI opportunities, and building industry awareness of IFIs' role in trade and investment.
2. Increase the number of investment leads generated and serviced within target markets.	• Promote Alberta as a preferred location for new and expanding business sites, focusing on companies, capital and people. • Promote Alberta as a preferred market for capital investment. • Promote Alberta as a preferred location for business immigration and skilled workers.

OBJECTIVE	KEY STRATEGIES
3. Increase participation of Alberta communities in regional economic development.	• Based upon the priorities of Alberta communities, facilitate the creation of new regional economic development alliances and strengthen existing regional alliances throughout Alberta and project-specific alliances in the major metropolitan regions. • Attract business and investment throughout the province by linking our investment and information services with communities and regions. • Encourage the adoption of best practices in economic development within Alberta's regional and municipal communities. • Provide Alberta businesses and regional organizations with current and meaningful business information. • Provide information and services that assist the development of small Alberta businesses through innovative means such as The Edmonton Business Link, the Calgary Business Information Centre and SuperNet. • In partnership with Aboriginal organizations, encourage small business development formation and tourism development.
4. Increase the competitiveness of Alberta's value-added sectors.	• Address policy challenges and opportunities for value-added industries. • Provide industry competitive intelligence to assist Alberta companies in becoming globally competitive. • Facilitate partnerships, networks and alliances to support industry sector growth. • Facilitate and encourage the development, acquisition or application of new technologies and business best practices. • Service the growing needs of the ICT sector and other advanced technologies sectors through a co-funding relationship with Innovation and Science. • Promote the growth and strength of the agriculture and food sector by leading trade development activities in cooperation with Agriculture, Food and Rural Development. • Assist the film industry to develop a report card on the performance of the film sector in Alberta. • Promote improved effectiveness of moving materials and products domestically and internationally.

GOAL 3: ALBERTA IS A GLOBALLY COMPETITIVE TOURISM DESTINATION

OBJECTIVE	KEY STRATEGIES
1. Increase Alberta's share of visitors and revenue from targeted Canadian and international markets.	• Develop and partner marketing programs in Alberta, nationally and internationally through Travel Alberta, that support the Strategic Tourism Marketing Plan developed by the Strategic Tourism Marketing Council. • Establish and/or manage cost-effective contracts through Travel Alberta to deliver marketing programs in Alberta, with Tourism Destination Regions, and nationally/internationally as required. • Deliver value-added support services to the tourism industry including the distribution of visitor information through visitor information centres and the call centre; tourism research; and images resource centre. • Develop and maintain an effective customer focused Alberta tourism website(s).

OBJECTIVE	KEY STRATEGIES
2. Facilitate the growth and expansion of marketable tourism product.	• Address tourism issues such as regulation/policy, access to land, infrastructure, and product enhancement that impact growth, expansion and marketability. • Commence implementation of the AEDA report on a long range tourism development strategy for Alberta. • Coordinate provincial government input and involvement on national parks issues. • In cooperation with Alberta Environment, develop and implement a tourism business strategy for Provincial Recreation Areas and Parks. • Provide information and expertise to facilitate the development of new and expanded tourism products.

SUPPORT SERVICES

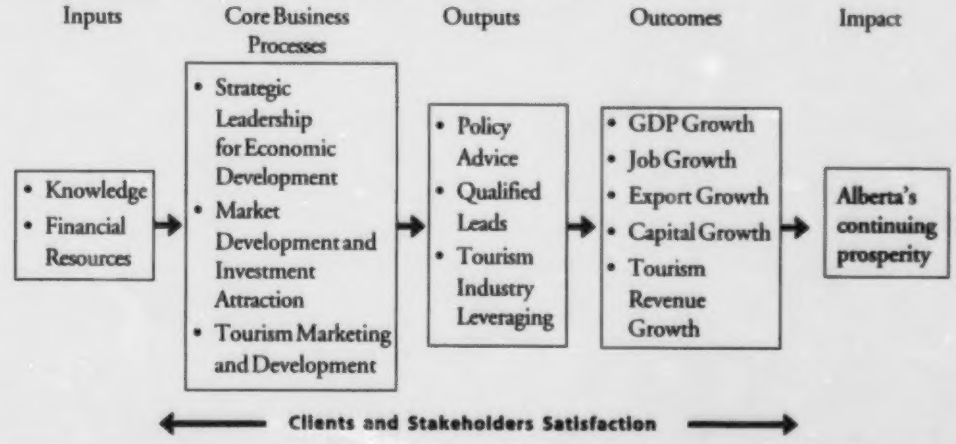
The Ministry's mandate includes responsibility for three distinct but complementary core businesses. The strategies and actions are undertaken to carry out these businesses and are supported by finance, human resources, administrative and information technology services. Some key department initiatives that will be undertaken within the department will fall in these areas and include:

- Enhancing the collection, management, and dissemination of the department's information and knowledge.
- Implementing innovative and responsive human resource programs and services to ensure the availability of a highly competent workforce in the department.
- Implementing the department's comprehensive performance measurement framework.
- Supporting Cross Ministry initiatives including the Alberta Corporate Service Centre Initiative and a Corporate Human Resource Development Strategy.

CORE PERFORMANCE MEASURES

Alberta Economic Development has developed a comprehensive department performance measurement framework to increase accountability and demonstrate how department activities contribute to broad economic outcomes. The diagram below shows the framework that follows a logic model and measures performance in areas of inputs, critical business processes, outputs, outcomes, and impacts. The model is currently being implemented in a staged approach throughout the department.

PERFORMANCE MEASUREMENT FRAMEWORK


Inputs
Core Business Processes
Outputs
Outcomes
Impact
• Knowledge
• Financial Resources
• Strategic Leadership for Economic Development
• Market Development and Investment Attraction
• Tourism Marketing and Development
• Policy Advice
• Qualified Leads
• Tourism Industry Leveraging
• GDP Growth
• Job Growth
• Export Growth
• Capital Growth
• Tourism Revenue Growth
Alberta's continuing prosperity
Clients and Stakeholders Satisfaction

Alberta Economic Development publishes the following two types of performance indicators in the business plan:

- *Output* **measures** reflect directly on the performance of the department. Through department initiatives and activities, specific results (outputs) are achieved that in turn contribute to a stronger economy.
- *Outcome* **measures** reflect the performance of the Alberta economy as a whole. The department's activities, in partnership with other stakeholders, influence these indicators.

Input and core business process measures are not included in the business plan as they are developed for management reporting to assist in program and service evaluation. All satisfaction surveys contained in the business plan follow rigorous and objective processes to ensure reliable and valid results.

GOAL 1: ALBERTA HAS A VIBRANT AND VERSATILE ECONOMY

OUTCOME INDICATORS:

1. **Alberta's Gross Domestic Product** - GDP values are adjusted for inflation at market prices (constant 1992 dollars).

Business Plan	Estimate 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Real GDP ($ billion)	103.8	110.1	115.1	119.7	124.5	129.5
% Growth	3.6	6.1	4.5	4.0	4.0	4.0

Supplemental Information: The structure of Alberta's economy in terms of GDP by industry over a 10 year period. Alberta's GDP will also be compared with other provinces, the national average, and where appropriate, with international jurisdictions.

2. **Employment Growth** - The annual average number of Albertans employed.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Employment (thousands)	1,553	1,588	1,638	1,688	1,743	1,798
Net New Jobs (thousands)	38	35	45	50	55	55
% Growth[1]	2.5	2.3	2.8	3.0	3.3	3.2

Supplemental information: Employment growth by industry. Alberta's total employment growth will also be compared with other provinces, the national average, and where appropriate, with international jurisdictions.

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[1] GDP growth targets should be higher than employment growth to reflect gains in labour productivity.

OUTPUT INDICATORS:

1. **Client satisfaction with overall department services.**

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Client satisfaction	90%	95%	95%	95%	95%	95%

2. **Utilization of department's website and satisfaction with publications.**

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Total number of user sessions on AED website	75,806	80,000	85,000	90,000	95,000	100,000
% of user satisfaction with website	Not available	In 2000/01, baseline data will be collected which will be used to set future targets				
% users satisfaction with AED publications	Not available	85	90	95	95	95

GOAL 2: ALBERTA'S BUSINESSES, COMMUNITIES AND INDUSTRY SECTORS ARE GLOBALLY COMPETITIVE

OUTCOME INDICATORS:

1. **Manufacturing and Service Industry Investment** - The value of new capital expenditures on construction, machinery and equipment in Alberta's manufacturing and service industries.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Investment ($ billion)	10.8	10.2	10.6	11.0	11.4	11.9

Supplemental information: Investment by sector.

2. **Manufacturing and Service Exports** - The value of Alberta's international (outside Canada) exports of manufactured goods and services.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Exports ($ billion)	16.3	20.4	22.4	24.2	26.1	28.4
% Growth	10.9	25.0	10.0	8.0	8.0	9.0

Supplemental information: Exports by sector and exports of manufactured goods as a percentage of total exports and GDP. Goods exported as a percentage of GDP will also be compared with other provinces, the national average, and where appropriate, with international jurisdictions.

3. **Manufacturing Shipments** - Total annual value of all manufacturing shipments by Alberta companies to other provinces, countries and within Alberta.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Shipments ($ billion)	35.4	41.1	44.0	46.5	50.0	53.8
% Growth	5.8	16.1	7.0	7.0	7.5	7.5

Supplemental information: Alberta's manufacturing shipments as a percentage of Canada's total shipments. This will also be compared with other provinces, the national average, and where appropriate, with international jurisdictions.

4. **Food and Beverage Exports** - The value of out-of-country exports of food and beverage products.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
International Food & Beverage Exports ($ billions)	2.0	2.4	2.7	2.9	3.3	3.7
% Growth	13.2	18.2	12.5	7.4	13.8	12.1

5. **'Net New Business Increases'**[2] - The increase in the number of businesses in Alberta.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Net New Business Increase (thousand)	23.0	27.0	28.0	28.5	29.8	31.2
% Growth	4.4	18.8	3.7	1.8	4.6	4.7

6. **Number of 'Export ready'[3] and active exporting companies in Alberta.**

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Number of 'export ready' companies	1,300	1,400	1,500	1,600	1,700	1,800
Number of active exporters	1,823	2,200	2,500	2,800	3,100	3,400

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[2] 'Net New Business Increase' is an approximate increase in the number of businesses based on the difference between new incorporations and business bankruptcies.

[3] 'Export ready' includes companies who have an export plan and have committed resources to exporting. but are not actively exporting.

7. **To be the most cost effective location in North America in selected value-added sectors. To be cost effective, Alberta should have a ranking value in the top five for overall business competitiveness which includes the following components:**
   - initial capital costs for land acquisition and building construction;
   - total annual labour costs, including all benefits;
   - office lease and occupancy costs;
   - electricity costs;
   - transportation costs;
   - telecommunications costs;
   - interest and depreciation charges;
   - federal, regional, and local taxes levied on corporations, including significant non-discretionary tax incentives;
   - and additional discretionary tax and financial incentives.

These rankings are based on the KPMG custom cost model developed for use by AED in evaluating the cost competitiveness of Alberta business locations. The model examines location-sensitive costs and taxes for six Canadian cities (Calgary, Edmonton, Vancouver, Toronto, Ottawa, and Montreal) and seven US cities (Boise, Boston, Colorado Springs, Minneapolis, Phoenix, San Jose, and Seattle). The ranking integrates the factors and is based on total costs .

Sectors/Subsectors	Actual 2000		Target 2001	Target 2002	Target 2003	Target 2004
	Calgary	Edmonton				
Food Processing	2	1	Target: To maintain or improve competitive ranking			
Health Care Products & Services						
• Pharmaceuticals	3	1				
• Medical Devices	3	1				
Information, Communications and Technology (ICT)						
• Telecommunications Equipment	3	1				
• Software	3	1				
• Electronics	3	1				
Industrial Machinery/Metal Fabrication	3	2				
Plastics	3	2				

OUTPUT INDICATORS:

1. **Post-appraisal of AED's outgoing trade shows and missions** - Number of companies participating, business contacts made, and qualified sales/investment leads facilitated, as well as the percentage of companies who rate AED as helpful to them in achieving their goals.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Number of companies or organizations participating	281*	300	325	350	375	400
Number of qualified sales/investment leads	1,445	1,500	1,550	1,600	1,650	1,700
% of companies/organizations who rate AED as helpful to them in achieving their goals	Not available	85	90	90	90	90

*The counting methodology for 1999 has been refined. The number is restated to reflect this change.

Supplemental Information: Anticipated value of sales/investment for companies/organizations, as a result of participating in trade shows and missions facilitated by AED.

2. **Effectiveness of International Offices** - Number of business introductions and qualified sales/investment leads facilitated by international offices and satisfaction of Alberta organizations/companies with the services provided by international offices.

Business Plan	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Total number of business introductions	In 2000/01, baseline data will be collected, which will be used to set future targets.				
Total number of qualified sales/investment leads	In 2000/01, baseline data will be collected, which will be used to set future targets.				
% of client satisfaction with the product/services of international offices	In 2000/01, baseline data will be collected, which will be used to set future targets.				

Supplemental Information: Anticipated value of sales/investment facilitated by international offices.

GOAL 3: ALBERTA IS A GLOBALLY COMPETITIVE TOURISM DESTINATION

OUTCOME INDICATORS:

1. **Tourism Industry Revenue** - The annual value of all tourism industry revenues in Alberta. This includes expenditures made in Alberta by visitors from overseas, the United States, other Canadian provinces, and residents of Alberta.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Total Tourism Revenue ($ billion)	4.2	4.4	4.5	4.8	5.1	5.4
% of Alberta Market Share of total Canadian tourism revenue	13	13	13	13	14	14

2. **Alberta's market share of Canadian international overnight visitors from Europe, Asia and the United States.**

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Europe %	13.6	13.7	13.8	15.0	16.5	17.0
Asia %	16.0	16.1	16.1	16.5	17.0	18.0
United States %	6.2	6.2	6.4	6.8	7.0	7.5

OUTPUT INDICATORS:

1. **Partner satisfaction with tourism marketing products and services.**

Business Plan	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
% tourism industry partners satisfaction[4]	80	85	90	90	90

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[4] Tourism industry partners include in-province, national, and international industry partners.

2. **Industry Leveraging** - Industry partner's contribution in product marketing with Travel Alberta.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
In-Province Leveraging Ratio	1.2:1	1.5:1	1.5:1	1.5:1	1.6:1	1.6:1
International/National Leveraging Ratio	2.5:1	2.6:1	2.7:1	2.7:1	2.8:1	2.8:1

3. **Marketing Effectiveness** - Volume of information requests by telephone and websites inquiries; and information packages mailed in response to these requests.

Business Plan	Actual 1999	Forecast 2000	Target 2001	Target 2002	Target 2003	Target 2004
Call Centre Inquiries*	118,815	110,000	107,000	105,000	103,000	100,000
Number of website user sessions	Not Available	98,000	125,000	150,000	175,000	200,000
Volume of tourism information packages distributed	68,241	100,000	103,000	105,000	107,000	110,000

* Call centre inquiries are anticipated to decrease as website activity increases.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
1. Strategic Leadership for Economic Development Policy and Planning	2,106	2,349	1,967	2,200	2,217	2,257
2. Market Development and Investment Attraction	22,402	26,713	24,823	25,077	25,154	25,456
3. Tourism Marketing and Development	17,536	16,935	18,696	19,145	19,166	19,187
Support Services	4,845	5,144	5,041	5,033	5,087	5,162
Valuation Adjustments and Other Provisions	180	-	180	-	-	-
MINISTRY EXPENSE	47,069	51,141	50,707	51,455	51,624	52,062

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	500	-	-	-	-	-
Transfers from Government of Canada	36	339	144	214	29	-
Other Revenue	694	750	750	750	750	750
MINISTRY REVENUE	1,230	1,089	894	964	779	750
EXPENSE						
Program						
Ministry Support Services	4,845	5,144	5,041	5,033	5,087	5,162
Market Development and Investment Attraction	22,402	26,713	24,823	25,077	25,154	25,456
Tourism Marketing and Development	17,536	16,935	18,696	19,145	19,166	19,187
Economic Policy and Planning	2,106	2,349	1,967	2,200	2,217	2,257
Valuation Adjustments and Other Provisions	180	-	180	-	-	-
MINISTRY EXPENSE	47,069	51,141	50,707	51,455	51,624	52,062
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(45,839)	(50,052)	(49,813)	(50,491)	(50,845)	(51,312)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	1,230	1,089	894	964	779	750
Inter-ministry consolidation adjustments	(500)	-	-	-	-	-
Consolidated Revenue	730	1,089	894	964	779	750
Ministry Program Expense	47,069	51,141	50,707	51,455	51,624	52,062
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**47,069**	**51,141**	**50,707**	**51,455**	**51,624**	**52,062**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(46,339)	(50,052)	(49,813)	(50,491)	(50,845)	(51,312)

Energy

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Murray Smith.

Murray Smith, *Minister of Energy*
April 10, 2001

INTRODUCTION

Albertans own their oil, gas, and mineral resources. The Ministry of Energy manages the development of these resources in a responsible manner, within a framework of sustainable development, that maximizes investment in resource development and benefits for Albertans. The Ministry consists of the Department of Energy (the Department), and the Alberta Energy and Utilities Board (EUB).

DEPARTMENT OF ENERGY

VISION

Alberta's competitive environment attracts investment in its energy and mineral resources, for the benefit of present and future Albertans.

MISSION

Optimize the sustained contribution from Alberta's energy and mineral resources in the interests of Albertans.

CORE BUSINESSES

The Department has responsibility for a diverse resource development portfolio that includes natural gas, conventional oil, oil sands, petrochemicals, electricity, coal, and minerals.

The Department's core businesses are:

- Secure Albertans' share and benefits from energy and mineral resource development.
- Ensure the competitiveness of Alberta's energy and mineral resources.
- Develop and communicate energy and mineral resource policies.
- Ensure Alberta consumers have a choice of reliable and affordable energy.

To effectively deliver its core businesses, the Department has organized its operations by commodities. This alignment builds knowledge and business relationships with industry and strengthens communication. The Department's areas of commodity expertise are:

- Gas,
- Oil,
- Oil Sands,
- Petrochemicals,
- Coal and Minerals,
- Electricity, and
- Tenure

The goals, strategies and performance measures which follow have been established for each of the Department's core businesses.

CORE BUSINESSES, GOALS, AND STRATEGIES

Note: [CM] denotes response to cross-ministry priorities

CORE BUSINESS #1: SECURE ALBERTANS' SHARE AND BENEFITS FROM ENERGY AND MINERAL RESOURCE DEVELOPMENT.

GOAL #1	KEY STRATEGIES
Optimize Albertans' resource revenue share and benefits from the development of their resources over the long term.	• Ensure Albertans continue receiving their royalty share with a royalty regime and features that respond to changing industry, government and economic conditions.

PERFORMANCE MEASURES

- **Sharing the Profits from Resource Development** – *Target: 20% to 30%.*

  Alberta's resource development system is intended to balance two key objectives:

  1. To capture a fair share of the revenue from the development of resources, for the benefit of Albertans.
  2. To encourage continued investment in and development of Alberta's resources.

  For the core resources of oil and natural gas, an indicator of this balance is the portion of industry's annual net operating revenue that is paid to the Crown as royalty.

Three year moving average	1995 Actual	1996 Actual	1997 Actual	1998 Actual	1999 Estimate	2000 Target	2001 Target	2002 Target	2003 Target
(calendar year)	22%	23%	23%	23%	23%	20-30%	20-30%	20-30%	20-30%

Source: Developed from information in *Energy Update* published by ARC Financial Corp.

- The Department will explore expansion of this measure to cover other commodities, where appropriate.
- Further performance measures to address the complete and accurate collection of revenue will be explored.

CORE BUSINESS # 2: ENSURE THE COMPETITIVENESS OF ALBERTA'S ENERGY AND MINERAL RESOURCES.

GOAL #2	KEY STRATEGIES
Advocate for the removal of barriers to the development of energy and mineral resources in Alberta.	• Ensure full energy and mineral resource development opportunity costs are considered in land use decisions, such as protected areas. • Develop a socially responsible resource access policy that will ensure access to energy and mineral resources while respecting competing demands on these resources. • Work with resource developers and other government ministries to ensure future labour and infrastructure needs are identified. [CM - Economic Development Strategy] • Work with Aboriginal communities, resource developers, stakeholders and other levels of government to create opportunities for Aboriginal people to participate equitably in the resource economy of Alberta. [CM - Aboriginal Policy Initiative] • Participate with other government ministries in the streamlining of regulations and approval processes for the development of resources. • Encourage protection of the environment and workplace health and safety in Alberta's energy and mineral industries. • Analyze economics and implement changes, where appropriate, to the fiscal and tenure regimes to encourage further development of conventional and non-conventional resources. [CM - Economic Development Strategy]

PERFORMANCE MEASURES

- Approval of mineral development strategy by 2001-02.
- Two additional Natural Resource Initiatives completed in 2001-02.
- Regulatory approval processes streamlined by 2003-04.
- Further performance measures will be explored for the next business plan.

GOAL #3	KEY STRATEGIES
Advance the competitiveness of Alberta's energy and mineral resources.	• Complete an analysis of commodities to better understand the current and future state of Alberta's resource commodities in the global marketplace, and identify opportunities to grow Alberta's resource market share and increase value to Albertans. • Promote Alberta's energy and mineral development interests both nationally and internationally in partnership with other ministries. [CM - Economic Development Strategy] • Advocate and pursue resource upgrading opportunities in Alberta.

PERFORMANCE MEASURES

- Complete competitive commodity analysis by 2001-02.
- Subsequent performance measures to be developed.

GOAL #4	KEY STRATEGIES
Provide strategic research direction to achieve long term energy and mineral development goals.	• Identify priority needs where research and technology development are required to improve recovery from conventional resources or enable development of non-conventional and alternative sources (e.g. clean coal, CO2, and coalbed methane technologies). • Work in partnership with industry, government and research stakeholders to identify and secure sufficient levels of funding and infrastructure to support a range of applied research and development, technology pilots and field demonstrations. [CM - Economic Development Strategy] • Support development of mechanisms for the critical review of research and development technical results, allocation of resources and assessment of economic viability.

PERFORMANCE MEASURES

- Priority areas identified by Department of Energy by 2001-02.
- Leveraged research funding from industry and federal stakeholders.
- Further performance measures will be explored.

CORE BUSINESS #3: DEVELOP AND COMMUNICATE ENERGY AND MINERAL RESOURCE POLICIES.

GOAL #5	KEY STRATEGIES
Prepare a long term energy outlook for Alberta that secures supply and benefits and positions Alberta within a broader North American energy marketplace.	• Develop a long term energy policy and strategy options in consultation with Albertans and industry. [CM - Economic Development Strategy]

PERFORMANCE MEASURES

- Consultation completed, energy policy developed for Minister's consideration by the end of 2001-02.
- Subsequent performance measures to be developed once policy approved.

GOAL #6	KEY STRATEGIES
Inform Albertans about the opportunities for a continuing supply of Alberta's energy and mineral resources from conventional and non-conventional sources.	• Lead a strategy for natural gas, crude oil, coal and mineral extraction that supports Alberta's economic and population growth. [CM - Economic Development Strategy] • Enable public awareness of resource extraction management practices (e.g., sour gas, clean burning coal, etc.) and the importance and economic significance of the energy and mineral sector.

PERFORMANCE MEASURES

- **Albertans Understanding of Resource Supply** – *Target: To increase their understanding by 2003-04.*
  As resource owners Albertans need to understand current and future supply of energy and mineral resources.

	2001-02 Target	2002-03 Target	2003-04 Target
Percentage of Albertans surveyed who understand energy and mineral supply	Establish baseline	Increasing over time	70%

CORE BUSINESS #4: ENSURE ALBERTA CONSUMERS HAVE A CHOICE OF RELIABLE AND AFFORDABLE ENERGY.

GOAL #7	KEY STRATEGIES
Establish a customer choice framework for providing stable, affordable energy for Albertans.	• Work with industry and consumer associations to increase the competitiveness of wholesale electricity markets. [CM - Economic Development Strategy] • Enable and foster a competitive retail market for electricity to provide Alberta consumers with choice, innovative services and competitive prices. • Provide clear and timely communication of changes in the natural gas and electric industries to consumers, industry and other government agencies. • Develop and implement effective policy, legislation and processes to shield consumers from unexpected significant increases in the market price of natural gas while preserving competitive free-markets in natural gas. • Increase investment by industry in the construction of new electricity generation capacity in Alberta. • Examine and facilitate development of clean coal technologies for electricity generation. • Ensure that the electricity transmission and distribution system is reliable, and provides fair and open access to users and value to consumers.

PERFORMANCE MEASURES

- Implement Bill 1, the Natural Gas Price Protection Act, effective July 1, 2001.
- Performance measures on gas and electricity price to be developed.
- **New Power Generation** – *Target: To increase investment in new power generation in Alberta.*
  Growth in new power generation to supply electricity is an indication of investor confidence in the new competitive generation market and the ability to meet a growing demand for electricity in the Province. The Department of Energy is undertaking initiatives to support and accelerate the construction of new electricity generation capacity in Alberta.

	2000-01 Actual	2001-02 Target	2001-02 Target	2002-03 Target	2002-03 Target	2003-04 Target	2003-04 Target
	Total	Total	Average Annual Growth	Total	Average Annual Growth	Total	Average Annual Growth
Peak Demand (MW)	7,785	8,035	250	8,285	250	8,535	250
Peak Supply (MW)	9,318	9,718	400	10,118	400	10,518	400
Excess (MW)	1,533	1,683	150	1,833	150	1,983	150

Megawatts – MW
Source: Electricity Business Unit, March, 2001

The Department and the Ministry recognize the challenge and importance of maintaining and building organizational capacity to respond to changing future business and economic circumstances affecting the development of Alberta's energy and mineral resources. Effective management of internal resources including financial resources, human resources, knowledge and information is essential to the ability of the Department to achieve its core business goals. A separate Department Organizational Capacity goal has been established to address this requirement.

ORGANIZATIONAL CAPACITY AND EFFECTIVENESS

GOAL #[illegible]	KEY STRATEGIES
Build an organizational environment for success.	• Fiscal - Align the Department's organization, processes and budget with the strategic direction of our business and culture. Manage the Department in an effective and affordable manner. • People - Implement human resource strategies aimed at improving staff knowledge, competencies and skill sets, including customer service. Attract, retain and invest in developing expert staff. • Knowledge and Information - Adopt a strategic approach to information/knowledge to ensure these assets are carefully developed, managed and shared in support of business decision making. Invest in enhanced information technology systems and transformation to e-business. • Cross-Government – Support and participate in cross government initiatives.

PERFORMANCE MEASURES

- **Industry Satisfaction** – *Target: 80% by 2003.*
  The Department monitors industry satisfaction to identify opportunities for improvement and ensure services keep pace with changing requirements in the resource sectors. Industry satisfaction is an indication of staff competence, knowledge, satisfaction and service. The Department applies the Government of Alberta's service excellence framework, focusing on courteous, competent and timely service to clients. The Department's satisfaction ratings are:

	Survey Year	Average Satisfaction	Reliability
	1998	75%	+/- 4.5% at a 95% confidence level
	1999	79%	+/- 4.1% at a 95% confidence level
Target	2003	80%	95% confidence level

Source: Environics West surveys

In 1998, a Citizens First survey was conducted by Erin Research Inc. to establish a benchmark of Canadian public and private sector services. The average general ratings for public sector services were 47% and for private sector services were 60%.

- Satisfaction survey to be reviewed for expansion to ensure priority areas covered off.
- Further measures of organizational effectiveness employing benchmarking will be explored.

ALBERTA ENERGY AND UTILITIES BOARD

INTRODUCTION – CONTINUING TO BUILD CONFIDENCE

The Alberta Energy and Utilities Board (EUB) is an independent, quasi-judicial agency of the Government of Alberta with responsibility to regulate the safe, responsible, and efficient development of Alberta's energy resources: oil, natural gas, oil sands, coal, and electrical energy; and the pipeline and transmission lines to move the resources to market. The EUB also regulates rates and terms of service of investor-owned gas, electric, and water utility services in Alberta, as well as the major intra-Alberta gas transmission system.

During the development of last year's (2000-2003) business plan, the EUB considered the changing regulatory environment and developed a plan that prepared us for our future directions by targeting areas of greatest need. We proposed to rebuild, reinforce and strengthen our business by focussing additional resources into four key pressure areas: Landowner & Industry Relations, Applications & Hearing Processes, Information Management (IT Reinvestment) and Investing in People (Human Resource Development).

These four key areas remain a part of our long-term focus and represent ***continuing directions*** for 2001-2004. However, through our ongoing process of strategic planning, we have further refined our business plan, capturing three additional ***directions to build on***: Public Safety & Compliance, Utility Regulation, and Conservation.

The seven directions identified in this plan will guide us on our path to becoming an even better organization– one that is more accountable and capable of addressing priority issues. These directions reinforce the EUB's mission, vision and values, and they will guide us closer to where we need to be.

MISSION

Our role is to ensure that the discovery, development and delivery of Alberta's resources and utilities services takes place in a manner that is fair, responsible and in the public interest.

VISION

The EUB will continue to build a regulatory framework that inspires public confidence.

CORE BUSINESSES

The EUB's core businesses are:

- **Adjudication and Regulation:** Adjudicate and decide on matters relating to the development and transportation of energy resources and utility rates.
- **Applications:** Ensure energy resource development is in the public interest. The application process includes handling, processing and ruling on new applications for energy and utility activities or amending existing approvals.
- **Surveillance and Enforcement:** Ensure public safety and environmental protection through regulatory requirements, surveillance and enforcement.
- **Information and Knowledge:** Ensure the availability of energy and mineral resource information to support responsible development.

CORE BUSINESSES, GOALS, AND STRATEGIES

CORE BUSINESS #1: ADJUDICATION AND REGULATION – ADJUDICATE AND DECIDE ON MATTERS RELATING TO THE DEVELOPMENT AND TRANSPORTATION OF ENERGY RESOURCES AND UTILITY RATES.

CONTINUING DIRECTIONS - LANDOWNER AND INDUSTRY RELATIONS

GOAL #1	KEY STRATEGIES
Prompt and satisfactory resolution of landowner and industry conflicts	• Expand field staff's facilitative role to improve landowner/public/industry relations. [CM – Aboriginal Policy Initiative] • Continue surveillance focus on high-risk operations, problem operators and areas of intense development, to address public concerns with energy operators. • Work with stakeholders to develop and implement alternatives for dispute resolution. [CM - Aboriginal Policy Initiative]

PERFORMANCE MEASURES

- **Percent of Objections Resolved Related to New Facilities** – *Target: 85% of objections resolved without hearing.*
  Improve the percentage of objections resolved, relating to new facilities and resource development applications (non-routine applications), prior to hearing.

	2000-01	2001-02	2002-03	2003-04
% of objections resolved without hearing	80%	85%	85%	85%

- **Percent of Incidents Resolved Related to Existing Facilities** – *Target: 87% of incidents resolved to the satisfaction of the complainant.*
  Assist industry in improving the satisfactory resolution of operational compliance complaints received by field surveillance with respect to existing facilities.

	2000-01	2001-02	2002-03	2003-04
% of incidents resolved to the satisfaction of the complainant	80%	83%	85%	87%

- **Solution Gas Production Conservation / Flaring Reduction** – *Target - Reduction in solution gas flared (over 1996 levels) in accordance with current and future Clean Air Strategic Alliance (CASA) recommendations.*
  Measures show the effectiveness of regulatory requirements and industry practices in achieving an appropriate degree of conservation of solution gas and environmental protection by reducing flaring.

DIRECTIONS TO BUILD ON - UTILITY REGULATION

GOAL #2	KEY STRATEGIES
Develop efficient processes for effective utility regulation in the transition to deregulation.	• Ensure adequate resourcing to issue quality decisions within the required timeframes and to achieve the appropriate mix of expertise to fulfil our changing role. • Continue consultation with Department of Energy and other stakeholders to ensure completion of all regulatory milestones needed to support deregulation transition. • Devote adequate resources towards developing standards for financial and service level scrutiny of utilities. • Develop an effective mechanism to report results of financial and service level scrutiny. • Develop or revise position paper or guideline respecting Performance Based Regulations (PBR) and Negotiated Settlement Process (NSP).

PERFORMANCE MEASURES

- **Timeliness of Decisions** - *Target: Quality decisions delivered within the legislative timeframes.*
  Further performance measures are being developed.

CORE BUSINESS #2: APPLICATIONS – ENSURE ENERGY RESOURCE DEVELOPMENT IS IN THE PUBLIC INTEREST. THE APPLICATION PROCESS INCLUDES HANDLING, PROCESSING AND RULING ON NEW APPLICATIONS FOR ENERGY AND UTILITY ACTIVITIES OR AMENDING EXISTING APPROVALS.

CONTINUING DIRECTIONS - APPLICATIONS AND HEARING PROCESSES

GOAL #3	KEY STRATEGIES
Timely and efficient application and hearing processes.	• Devote qualified staff resources, and improve scheduling to enhance efficiency of decision process. • Ensure that conservation, equity, and public interest priorities remain incorporated in the adjudicative process. • Examine application requirements and processes for relevance and streamlining opportunities.

PERFORMANCE MEASURES

- **Timeliness of Hearing Decisions** – *Target: By 2002 - 2003, reduce the time required, from the end of a hearing to a decision, to 90 days or less.*
  This indicator measures our ability to improve application and hearing process timelines while continuing to provide a fair and responsible regulatory environment.

	2000-01	2001-02	2002-03	2003-04
% of decisions issued in less than 90 days from the end of the hearing	90%	95%	100%	100%

- **Application Turnaround Time** – *Target: 3 - 3.5 working days (average) for routine facility applications.*
  Application turnaround time is an indicator of the efficiency of the EUB's application-handling processes.

CORE BUSINESS #3: SURVEILLANCE AND ENFORCEMENT – ENSURE PUBLIC SAFETY AND ENVIRONMENTAL PROTECTION THROUGH REGULATORY REQUIREMENTS, SURVEILLANCE AND ENFORCEMENT.

DIRECTIONS TO BUILD ON - PUBLIC SAFETY AND COMPLIANCE

GOAL #4	KEY STRATEGIES
Facilities comply, standards are adequate and the public is safe.	• Set priorities considering committee recommendations, such as Sour Gas Advisory Committee report. • Review standards and ensure they meet accepted definition of "adequate". • Establish information system to track inspection results and surveillance activity. • Implement updated policies and procedures to address ongoing pipeline corrosion issues by April 2002. • Complete regulatory review on oil spill preparedness by April 2002. • Issue regular reports on the implementation of appropriate Sour Gas Advisory Committee recommendations. • Review emergency response guidelines for industry and government and develop new emergency response planning guide for upstream petroleum industry by April 2002. • Update and maintain EUB internal emergency response capabilities.

PERFORMANCE MEASURES

- **The Percentage of Industry Compliance with Established Standards** - *Target: To be developed.*
  The EUB will review HVP (High Vapor Pressure) pipeline safety and integrity with external stakeholders, then identify and incorporate measures into the EUB's regulatory framework that assures public safety by April 2002.

- **The Adequacy of Emergency Response Plans:** - *Target: To be developed.*
  Conduct one emergency response exercise per co-op for oil spill preparedness, for an annual total of 20 exercises.

- The EUB will assess the level of public confidence in the regulatory process through annual input from representative stakeholders.

CORE BUSINESS #4: INFORMATION AND KNOWLEDGE – ENSURE THE AVAILABILITY OF ENERGY AND MINERAL RESOURCE INFORMATION TO SUPPORT RESPONSIBLE DEVELOPMENT.

CONTINUING DIRECTIONS - INFORMATION MANAGEMENT

GOAL #3	KEY STRATEGIES
Information management that meets the industry standard and stays up-to-date.	• Develop an organizational vision for information management. • Implement the Information Technology Architectural plan. • Complete migration of all business data to a data warehouse. • Implement a facility for storing electronic versions of records. • Develop capabilities for operating in an e-business environment.

PERFORMANCE MEASURES

- IT Strategy for Data Migration – *Target: 100% of business data elements residing on the mainframe will be migrated by 2003 to the data warehouse on the client/server platform, making all data accessible to staff.*

	2000-01	2001-02	2002-03	2003-04
% of elements migrated to data warehouse	30%	65%	100%	100%

- Implement Electronic Business Processes – *Target: To streamline and improve the efficiency of the administrative aspects of the application process.*

	2001-02	2002-03	2003-04
e-business development	Web-based registry implemented	Systems evaluated and pilot implemented	Electronic application filing and approval

DIRECTIONS TO BUILD ON – CONSERVATION

GOAL #6	KEY STRATEGIES
Achieve economic conservation, ensuring long-term planning is supported by an accurate picture of supply and demand.	• Provide a complete picture of energy resources and reserves for oil, gas, natural gas liquids, crude bitumen and coal. • Develop supply/demand forecasts for oil, gas, natural gas liquids, crude bitumen and coal. [CM - Economic Development Strategy] • Lay the foundation for a Provincial Resource Development Plan (i.e., an integrated energy and mineral resources plan, supporting Alberta's long-range resource development strategy). [CM - Economic Development Strategy] • Implement new resource conservation policies (for gas over bitumen, insitu oil sands (SAGD), mineable oil sands and conventional oil and gas). [CM - Economic Development Strategy]

PERFORMANCE MEASURES

- **An Accurate Picture of Supply and Demand is Available** - *Target: By 2004 ensure information required to support long-term planning is available.*

  A key part of the EUB mandate is to strive for the right balance between resource conservation and profitable development. The availability of accurate information is critical to effective conservation and long-term planning.

  Short-term energy supply/demand forecasts integrated with annual reserves update for crude oil, bitumen, natural gas, natural gas liquids and coal will provide a single comprehensive reserves/supply picture.

Supply and demand information development

2001-02	2002-03	2003-04
	Ultimate potential for natural gas	Conservation policies for emerging issues
Bitumen reserves database	New insitu reserves estimates for oil sands areas	Ultimate potential for crude oil reserves
		Integrated energy and mineral resources plan

The EUB and the Ministry recognize the challenge and importance of maintaining and building human resources to deliver effective programs and services. A separate EUB goal has been established to address this requirement.

CONTINUING DIRECTIONS - INVESTING IN PEOPLE

GOAL 97	KEY STRATEGIES
Focus on expertise renewal and retention to meet human resources needs now and in the future.	• Perform skills inventory and gap analysis by March 2001. • Implement staffing strategies by September 2002 (e.g., contract employment). • Develop and support learning plans by March 2002. • Set compensation at competitive levels, using market competitive practices. • Develop leadership programs by December 2001. • Implement field staff renewal plan to counteract expertise lost through attrition.

PERFORMANCE MEASURES

- **Staff Retention** - *Target: Significant reduction in staff turnover*
  The goal is to reduce staff turnover to a target of not more than 50% of that experienced in 1997 and 1998 (1,250 person-years). The development of human resource systems which foster continual employee learning, development and succession will aid in retaining staff that ultimately benefit the EUB.

	2000-01	2001-02	2002-03	2003-04
Person years of turnover	500	400	300	300

- **Field Staff Renewal** - *Target: Hire new field staff to demonstrate that the EUB is taking prompt action to address the concerns of industry, landowners and the citizens of Alberta.*
  The goal is to expand the field surveillance program to re-establish public confidence in the inspections program, enhance our facilitation role and to implement a field staff succession plan in preparation for anticipated retirements.

	2000-01	2001-02	2002-03	2003-04
Field - New Hires (FTEs)	12	6	6	6

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Commodity Areas						
Coal and Minerals	663	1,008	1,008	1,318	1,321	1,322
Electricity	17,115	11,811	11,811	14,516	14,572	14,588
Gas and Petrochemicals	20,622	32,453	31,286	33,837	34,007	34,389
Oil	11,101	10,538	10,538	11,165	11,533	12,148
Oil Sands	2,707	3,167	3,167	5,563	5,577	5,582
Tenure	7,519	8,143	8,143	9,225	9,245	9,251
Energy Regulation	64,942	76,671	76,077	91,911	94,001	95,521
Orphan Abandonment	3,286	3,200	10,282	7,500	4,000	4,000
Environmental Affairs	1,875	-	-	-	-	-
MINISTRY EXPENSE	129,830	146,991	152,312	175,035	174,256	176,801

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Non-Renewable Resource Revenue						
Natural Gas and By-Products Royalty	2,440,712	2,323,000	7,083,000	5,494,000	3,710,000	3,276,000
Crude Oil Royalty	1,072,614	632,000	1,453,000	881,000	475,000	340,000
Synthetic Crude Oil and Bitumen Royalty	426,108	469,000	784,000	300,000	323,000	451,000
Bonuses and Sales of Crown Leases	743,392	650,000	1,147,000	845,000	555,000	480,000
Rentals and Fees	140,959	157,000	159,000	170,000	170,000	152,000
Coal Royalty	14,644	14,000	11,000	11,000	10,000	9,000
Alberta Royalty Tax Credit	(188,028)	(197,000)	(158,000)	(165,000)	(132,000)	(124,000)
Total Non-Renewable Resource Revenue	4,650,401	4,048,000	10,479,000	7,536,000	5,111,000	4,584,000
Freehold Mineral Rights Tax	133,599	135,000	261,000	253,000	217,000	171,000
Investment Income	1,724	1,000	1,500	1,700	1,700	1,700
Industry Levies and Licences	48,500	62,167	51,667	67,651	65,581	67,101
Internal Government Transfers	8,200	-	-	-	-	-
Other Revenue	10,827	4,800	7,033	7,473	7,223	7,223
MINISTRY REVENUE	4,853,251	4,250,967	10,800,200	7,865,824	5,402,504	4,831,024
EXPENSE						
Program						
Ministry Support Services	2,374	2,551	2,551	2,521	2,521	2,521
Resource Development and Management	59,268	64,534	63,367	73,068	73,699	74,724
Energy Regulation	64,942	76,671	76,077	91,911	94,001	95,521
Orphan Abandonment	3,286	3,200	10,282	7,500	4,000	4,000
Valuation Adjustments and Other Provisions	(40)	35	35	35	35	35
MINISTRY EXPENSE	129,830	146,991	152,312	175,035	174,256	176,801
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	4,723,421	4,103,976	10,647,888	7,690,789	5,228,248	4,654,223

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	4,853,251	4,250,967	10,800,200	7,865,824	5,402,504	4,831,024
Inter-ministry consolidation adjustments	(8,200)	-	(454)	-	-	-
Consolidated Revenue	4,845,051	4,250,967	10,799,746	7,865,824	5,402,504	4,831,024
Ministry Program Expense	129,830	146,991	152,312	175,035	174,256	176,801
Inter-ministry consolidation adjustments	5,724	-	(454)	-	-	-
Consolidated Program Expense	**135,554**	**146,991**	**151,858**	**175,035**	**174,256**	**176,801**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	4,709,497	4,103,976	10,647,888	7,690,789	5,228,248	4,654,223

Environment

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Lorne Taylor, *Minister of Environment*
April 10, 2001

STRUCTURE

The Ministry of Environment includes the Department of Environment and the Environmental Appeal Board.

VISION

Alberta's environment will sustain a high quality of life.

MISSION

Manage the use of our diverse landscapes to sustain a healthy environment, a prosperous economy and strong communities.

Manage the use includes making decisions regarding the timing and location of water resource allocations and decisions about releases into air, land and water. We will always search for the right balance between preserving, protecting and using natural resources.

Alberta's diverse *landscapes* include air, land and water both above and below the surface of the earth. Landscapes are large geographic regions where cumulative effects of uses are expressed and managed.

CORE VALUES

The values of Albertans are reflected in policy directions about people, prosperity and preservation. Ministry core values are incorporated into the day-to-day work of the Ministry and are a unifying force among individuals that helps us perform in an integrated way.

At Alberta Environment we believe in:

1. **Commitment** to the vision, mission and goals of the Ministry.
2. **Innovation** and rapid response to the needs of clients.
3. **Respect** for the opinions of others.
4. **Informed decision-making** based on consultation, best available information and knowledge.
5. **Professionalism** and a high quality of service when conducting our business.
6. **Honesty, integrity and ethical behaviour.**

BUSINESS PRACTICES

Integrated Resource Management	We utilize a comprehensive approach to resource management decision-making.
Innovative Client Service	We respond to needs rapidly and with creative approaches in all regions and communities of Alberta.
Public Awareness and Education	We provide learning opportunities for Albertans of all ages to better understand key environmental topics and issues.
Integrated Delivery	We strive to provide consistent, predictable and coordinated policies and decisions.
Science Based Decision-making	We use the best available knowledge and technology.
Pollution Prevention	We take proactive measures to avoid undesirable consequences for the environment.
Public Involvement	We provide Albertans opportunities to contribute to decision making.
Intergovernmental Harmonization	We partner with all orders of government to harmonize policies, legislation and standards and establish clear accountabilities.
Environmental Responsibility	We integrate environmental accountability in our internal practices.

MINISTRY BUSINESSES, GOALS, KEY RESULTS AND MEASURES

Our two core businesses are ***Environmental Management*** and ***Environmental Hazard Management***. These businesses support our vision and mission.

Alberta Environment is moving to an internationally recognized three-level system of indicators and measures. **Environmental Indicators** (e.g., Air Quality Index, Surface Water Quality Index) measure key aspects of Alberta's environment. The Ministry works to influence these indicators so that "Alberta's environment will sustain a high quality of life." **Behavioural Indicators** measure Albertans' interaction with the environment. Again, we seek to influence, guide and direct positive, beyond compliance, behaviour. Finally, **Management Checkpoints** measure departmental performance. These checkpoints are included with the goals and key results.

Given the newness of many of these measures, the targets are preliminary.

Alberta Environment's core business activities support the Alberta Government core businesses of people, prosperity and preservation. This support is shown in the *Government of Alberta Business Plan* where several of our measures are used as government core measures.

ENVIRONMENTAL INDICATORS

Environmental Indicators report on the state of Alberta's environment. A credible set of environmental indicators is important for sound environmental policymaking. In particular, environmental indicators consider the ecological context; and are transparent, comprehensible, relevant and reliable. It is Alberta Environment's plan to work on linkages of these Indicators with the health and safety of Albertans in the coming years.

AIR QUALITY INDEX (SUPPORTS GOVERNMENT GOALS 1 AND 17)

DESCRIPTION	REPORT AND ANALYSIS	TARGET
• The Air Quality Index provides an indication of the quality of air in Alberta throughout the year at selected locations in the province, including Edmonton, Calgary, Fort Saskatchewan and Fort McMurray. The measure reports the number of days in the year during which air is rated good, fair, poor or very poor using the guidelines established by Alberta's *Environmental Protection and Enhancement Act* and the *National Air Quality Objectives*.	• Over the last ten years the Index has been rated air quality 'good' 97.6% (356 days) of the time. The other 2.4% are for days rated 'fair'. There have been no days reported as 'poor' or 'very poor'. The long-term trend indicates a consistent, if not improving, number of 'good' days reported each year.	• Maintain air quality levels that are considered good or fair at all times.

DRINKING WATER QUALITY INDEX (SUPPORTS GOVERNMENT GOALS 1, 7, 10 AND 17)

DESCRIPTION	REPORT AND ANALYSIS	TARGET
• A new measure to be included in the environmental indicators is the drinking water quality index.	• Sectors to be included in this index include upgrades to treatment plants and improvement in treatment levels to municipal potable water.	• The key target of this measure is that a safe supply of potable water for the population served by waterworks is maintained.

SURFACE WATER QUALITY INDEX (SUPPORTS GOVERNMENT GOALS 1, 7, 10 AND 17)

DESCRIPTION	REPORT AND ANALYSIS	TARGET
• This new measure is based on the average of index values calculated for four groups of water quality variables: metals, nutrients, bacteria, and pesticides, which are collected over the course of a fiscal year (April – March). Variables in the first three groups are compared to guidelines listed in "Surface Water Quality Guidelines for Use in Alberta" (Alberta Environment 1999). Variables in the fourth group (pesticides) are evaluated based on whether they can be detected in a water sample. This measure shows water quality at two locations in each of the provinces six major river systems. In most cases, the two sites represent conditions upstream and downstream from areas of significant human activity.	• Water quality tends to be poorer downstream of areas of urban, industrial or agricultural development. The index values vary naturally from site to site and from year to year, often related to changes in flow volume. However, improvements in conditions downstream from both Edmonton and Calgary can be linked to upgraded wastewater treatment in these two cities.	• Bring river water quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality.

BEHAVIOURAL INDICATORS

Behavioural Indicators report on the way we behave toward the environment in terms of waste. The amount of waste and emissions directly impacts the quality of Alberta's natural systems. Alberta Environment, through its approvals and enforcement mandate, works with communities, industry and individuals to reduce and mitigate these impacts.

REDUCTION OF MUNICIPAL SOLID WASTE TO LANDFILLS (SUPPORTS GOVERNMENT GOALS 1 AND 17)

DESCRIPTION	REPORT AND ANALYSIS	TARGET
• This measure provides an indication of Alberta's progress in reducing the generation of municipal solid waste.	• From 1995 to 1997, the amount of material going to landfills increased as a result of greater economic activity and associated construction, renovation and demolition. Since 1997, there have been further reductions in the volume of waste per capita.	• Continuous reduction of municipal solid waste going to landfills on a per capita basis.

PULP PRODUCTION VERSUS AMOUNT OF BIOCHEMICAL OXYGEN DEMAND DISCHARGED (SUPPORTS GOVERNMENT GOALS 1, 7, 10 AND 17)

DESCRIPTION	REPORT AND ANALYSIS	TARGET
• Certain substances in pulp mill wastewater require oxygen in their breakdown. This breakdown may decrease the amount of oxygen available to aquatic organisms. An excess amount of these substances could cause a shortage in the oxygen necessary to keep an aquatic ecosystem healthy. Alberta's average maximum allowable biochemical oxygen demand (BOD) (3 kg/tonne of pulp for most mills) is based on criteria for both water quality and best available demonstrated technology.	• The dramatic drop occurred in the early 1990s and since then, even though pulp production has been showing moderate increases, the BOD releases have been at the same levels or showing small decreases.	• BOD discharged for 2001 does not exceed 1.0 kilograms/ Air Dried Tonne of Pulp.

GOVERNMENT OF ALBERTA GREENHOUSE GAS EMISSION PROFILE (GOALS 7, 16 AND 17)

DESCRIPTION	REPORT AND ANALYSIS	TARGET
• The Government of Alberta demonstrates leadership in improving energy productivity through its actions to reduce emissions from government operations.	• By the end of 1998, actions taken to reduce greenhouse gas emissions associated with Alberta government operations had resulted in a 17.3% reduction in emissions (below 1990 levels at 526 kilotonnes of CO_2). Since 1997, the Alberta government is ahead of schedule for achieving its 14% target.	• To reduce emissions. New targets are being negotiated.

ALBERTA ORGANIZATIONS ENERGY PRODUCTIVITY IMPROVEMENTS (SUPPORTS GOVERNMENT GOALS 7, 9 AND 17)

DESCRIPTION	REPORT AND ANALYSIS	TARGET
• The number of Action Plans registered with the National Voluntary Challenge and Registry Program (VCR Inc.) indicates success in obtaining voluntary action by Alberta organizations to reduce greenhouse gas emissions.	• The number of registered Action Plans increased from 55 in 1995 to 161 in 1999.	• Continued increase in the number of registered plans. New targets are currently being developed.

CORE BUSINESSES

CORE BUSINESS 1: ENVIRONMENTAL MANAGEMENT

Goal 1.1: To achieve sustainable development by establishing a framework (policies, legislation, plans, guidelines and standards) for environmental management and environmental protection.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Support the Aboriginal Policy Initiative and Economic Development Strategy cross ministry initiatives. • Implement Alberta's Climate Change Strategy in partnership with Climate Change Central and others. • Implement directions from the Deputy Ministers' Sustainable Development Coordinating Council.	• Develop an Alberta climate change business plan and continue to work with other governments to shape Canada's national implementation strategy. • Participate in the Regional Sustainable Development Strategy in Northeast Alberta. • Streamline and simplify regulatory and planning systems. • Set clear and enforceable standards and guidelines for landscapes (air, land, soil, water quality and biodiversity). • Participate in interdepartmental and intergovernmental environmental and economic initiatives and committees.

RESULTS	MANAGEMENT CHECKPOINTS
1. Components of the framework are developed in consultation with Albertans. 2. Components of the framework are necessary, feasible and technically defensible. 3. The framework provides clear direction to decision-makers. 4. Implementation of the framework produces desired results. 5. Alberta's perspectives help shape areas of shared jurisdiction with other orders of government. 6. Standards help protect health of Albertans including children, youth and seniors.	• Public satisfaction. • Internal decision-maker satisfaction. • Progress on priority initiatives.

Goal 1.2: To have available information and knowledge for making appropriate decisions.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Facilitate research in priority areas such as air, water quality/quantity, land reclamation and climate change as outlined in the Research Business Plan. • Work with Aboriginal communities and industry in support of development of traditional use studies.	• Ensure best practices in knowledge management of monitoring, inventory and research. • Use new technology in information gathering and management. • Choose appropriate indicators to monitor. • Report on the State of the Environment/Environmental Indicators. • Maintain water quality/quantity monitoring. • Maintain air-monitoring coverage.

RESULTS	MANAGEMENT CHECKPOINTS
1. Reliable, representative, responsive and accessible information and knowledge (including traditional knowledge) for government, industry and communities. 2. Alberta's unique environmental research needs are met.	• Reliability of monitoring equipment. • Adequacy of monitoring programs for decision-makers. • Accessibility of information. • Knowledge management (pertinent, accurate, accessible, and timely). • Research results influence environmental management, policy and procedures. • Leverage of research funds.

Goal 1.3: To make sustainable development decisions about allocating resources through approvals, dispositions and licenses and ensure compliance with those decisions in ways that strengthen the Alberta Advantage.

KEY STRATEGIC INITIATIVES

- Reduce time for approvals through regulatory process review and re-engineering with a focus on innovative/alternative approaches to improve timeliness and outcomes.
- Implement the Client Satisfaction Improvement Initiative to improve client service and timeliness.
- Implement the Compliance Assurance Principles across the department.
- Deliver public awareness and education on sustainable development, water and climate change.
- Continue to work with the federal government to minimize overlap and duplication.
- Address various issues concerning contaminated sites.
- Fulfill duty to consult and work to improve consultation with Aboriginal communities.
- Support the government's Children and Youth Services cross ministry initiative.

ACTIVITIES TO ACHIEVE OUR GOALS

- Make decisions that use information from comprehensive assessments of environmental impacts.
- Deliver bias-balanced youth and community environmental education programs to encourage environmental stewardship and ensure that Albertans improve their understanding of the environment.
- Carry out effective educational activities to improve the understanding of regulatory requirements.
- Carry out timely, firm and fair enforcement activities.
- Ensure compliance with legislation by clear, consistent, proactive compliance assessment activities (inspections, audits and reviews).
- Develop and maintain a department wide compliance assurance tracking system.

RESULTS

1. Timely processing of applications.
2. Approvals and dispositions services maintain high client satisfaction.
3. Approvals and dispositions comply with provincial standards and policies.
4. Approvals and dispositions provide industry and society with incentives for continuous improvement.
5. Prevent non-compliance.
6. Incidents of confirmed non-compliance are concluded by enforcement or working with party to bring them into compliance (affirmative action).
7. High levels of compliance identified through departmental inspections/audits/reviews.
8. Improved public understanding and involvement in sustainable development issues.
9. Improved decisions through improved science and traditional use information.

MANAGEMENT CHECKPOINTS

- Decreased turnaround time for approvals through process re-engineering.
- Improved client satisfaction.
- Reports of new and innovative ways of reducing environmental impacts by those affected.
- Set targets and track specified educational activities conducted annually for each legislative area.
- Track numbers and type of responses to confirmed instances of non-compliance.
- Establish percentage of regulated parties assessed and found in compliance with regulatory requirements.
- Aboriginal communities consulted where regulatory and development activities may infringe existing Treaty, NRTA or other constitutional rights appropriate.

Goal 1.4: To support core business goals by ensuring water infrastructure and equipment are maintained and operated effectively.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Maintain and operate water resources infrastructure (dams, weirs, lake control projects, pumping stations and canals) for good water management. • Ensure priority purpose for good water management, where other manage water infrastructure. • Develop environmental education legacy projects in celebration of Alberta's Centennial.	• Infrastructure planning. • Operate, maintain and manage infrastructure for water management, required for the Ministry's programs.

RESULTS	MANAGEMENT CHECKPOINTS
1. Ensure ministry-owned equipment and infrastructure are operated and maintained to satisfactory standards to deliver programs. 2. Undertake capital projects to support the effective management of infrastructure.	• Percentage of infrastructure and equipment rated as operationally safe. • Progress on priority capital projects. • Initiate several environmental education legacy projects for Alberta's Centennial.

CORE BUSINESS 2: ENVIRONMENTAL HAZARD MANAGEMENT

Goal 2.1: To prevent, reduce and mitigate hazards resulting from flood, drought, emergency spills and other pollution-related incidents.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Focus investment in flood prevention and mitigation in partnership with the federal government to reduce damages.	• Provide flood protection by monitoring water flows, making the public aware of flood risk and providing flood warnings. • Assist municipalities in preparing for and responding to spills and releases.

RESULTS	MANAGEMENT CHECKPOINTS
1. Risk to people and property due to flood hazards are mitigated. 2. Risks to people and property due to drought are mitigated. 3. Risks to people, property and the environment due to emergency spills and other pollution-related incidents are responded to. 4. The safety of individuals utilizing public land is supported by an effective and efficient system of responding to events and incidents that may threaten life or health.	• Time frames for response to all incidents. • Progress on flood risk area mapping. • Less development in 1-in-100 year flood risk areas. • Timeliness, usefulness and accuracy of flood and drought forecasts. • Timeliness of stakeholder notifications of substance releases into the environment where an adverse effect is occurring or may occur. • Accurate and relevant advice is provided to the lead responding agency or responsible party in mitigating a substance release into the environment. • All incidents requiring aid and assistance to users of public land are responded to promptly and in an appropriate fashion.

3: BUSINESS SUSTAINING SERVICES

Business sustaining services are crucial to the success of the Ministry.

Goal 3.1: To provide general administration, human resources, communications, financial and information managenent that allow the Ministry to pursue goals and continuously improve performance.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Support the implementation of the Alberta Corporate Service Centre initiative. • Build a culture that fosters long term development of staff who are recognized for their innovative practices, leadership and commitment to team work. • Align the Department's organization and processes with the strategic direction of our business and culture. • Implement human resource strategies aimed at improving staff retention, attraction and development.	• Provide access to information and effective records management. • Review and implement the Department's Operational Information Technology Plan and maintain and enhance electronic information technology infrastructure. • Manage the Ministry's budgeting, forecasting and financial operations processes. • Provide strategic communications planning and coordination for key ministry and government policies and initiatives.

RESULTS	MANAGEMENT CHECKPOINTS
1. Ministry business is conducted according to approved policies and procedures. 2. Ensure Ministry financial targets are achieved. 3. Management is provided with useful and timely information. 4. Financial and administrative training meets needs. 5. Support the integration of shared service partnerships including the Alberta Corporate Service Centre. 6. Develop integrated IT systems and architecture standards. 7. Optimal use of IT resources. 8. The department has the knowledge and abilities to accomplish current and future business plan goals. 9. The Leadership Continuity Plan encourages leadership development in all our employees.	• Satisfaction of Department Executive and program managers. • Fiscal target is met. • Usefulness and timeliness of reports. • Identified staff receive required financial and administrative training. • Shared services savings transferred to program delivery. • Customer Service Agreements in place for shared support services. • IT Systems are developed to meet departmental business priorities and standards. • Hardware and software meets departmental business priorities and standards. • Staff knowledge of the Leadership Continuity Plan and alignment of their 2001-02 learning and development plans accordingly.

Expense by Core Business

(thousands of dollars)	**Comparable 1999-2000 Actual**	**Comparable 2000-01 Budget**	**Comparable 2000-01 Prelim. Actual**	**2001-02 Estimates**	**2002-03 Target**	**2003-04 Target**
EXPENSE						
Core Business						
Environmental Management	96,436	100,090	99,222	116,235	102,537	104,019
Environmental Hazard Management	2,674	4,000	5,000	7,500	5,000	3,850
MINISTRY EXPENSE	99,110	104,090	104,222	123,735	107,537	107,869

Ministry Statement of Operations

(thousands of dollars)	**Comparable 1999-2000 Actual**	**Comparable 2000-01 Budget**	**Comparable 2000-01 Prelim. Actual**	**2001-02 Estimates**	**2002-03 Target**	**2003-04 Target**
REVENUE						
Internal Government Transfers	10,310	4,000	5,000	7,500	5,000	3,850
Transfers from Government of Canada	119	305	313	178	-	-
Premiums, Fees and Licences	1,713	1,221	1,227	1,227	1,227	1,227
Other Revenue	1,457	683	721	568	733	741
MINISTRY REVENUE	13,599	6,209	7,261	9,473	6,960	5,818
EXPENSE						
Program						
Business Sustaining Services	4,853	5,841	6,091	5,851	5,529	5,650
Policy Secretariat	2,386	3,731	3,739	3,801	3,399	3,433
Regulatory Approvals	12,099	12,010	12,010	12,709	12,430	12,710
Environmental Enforcement and Monitoring	8,222	8,759	8,759	8,861	8,480	8,688
Environmental Assessment and Compliance	3,167	3,229	3,229	6,252	6,265	6,283
Environmental Sciences	7,143	8,343	8,343	15,662	7,515	7,665
Environmental Operations	7,453	5,487	5,487	6,352	5,679	5,778
Climate Change	6,023	1,696	1,696	3,361	1,439	1,448
Water Management	28,542	30,910	31,018	33,176	31,895	32,373
Integrated Resource Management	464	574	574	588	600	616
Environmental Education	615	735	735	746	746	746
Environmental Appeal Board	767	913	913	934	561	569
Land Reclamation Program	400	750	1,500	3,750	2,250	1,100
Special Waste Management Program	1,138	1,000	1,250	1,000	-	-
Natural Resources Emergency Program	1,136	2,250	2,250	2,750	2,750	2,750
Amortization	14,979	15,763	15,763	15,843	15,900	15,961
Nominal Sum Disposals	-	2,000	766	2,000	2,000	2,000
Valuation Adjustments and Other Provisions	(277)	99	99	99	99	99
MINISTRY EXPENSE	99,110	104,090	104,222	123,735	107,537	107,869
Gain (Loss) on Disposal of Capital Assets	497	1,160	428	1,160	1,160	1,160
NET OPERATING RESULT	(85,014)	(96,721)	(96,533)	(113,102)	(99,417)	(100,891)

Consolidated Net Operating Result

(thousands of dollars)	**Comparable 1999-2000 Actual**	**Comparable 2000-01 Budget**	**Comparable 2000-01 Prelim. Actual**	**2001-02 Estimates**	**2002-03 Target**	**2003-04 Target**
Ministry Revenue	13,599	6,209	7,261	9,473	6,960	5,818
Inter-ministry consolidation adjustments	(10,425)	(4,191)	(5,120)	(7,500)	(5,000)	(3,850)
Consolidated Revenue	3,174	2,018	2,141	1,973	1,960	1,968
Ministry Program Expense	99,110	104,090	104,222	123,735	107,537	107,869
Inter-ministry consolidation adjustments	(1,015)	(2,191)	(886)	(2,000)	(2,000)	(2,000)
Consolidated Expense	**98,095**	**101,899**	**103,336**	**121,735**	**105,537**	**105,869**
Gain (Loss) on Disposal of Capital Assets	497	1,160	428	1,160	1,160	1,160
Inter-ministry consolidation adjustments	-	(1,160)	(428)	(1,160)	(1,160)	(1,160)
CONSOLIDATED NET OPERATING RESULT	(94,424)	(99,881)	(101,195)	(119,762)	(103,577)	(103,901)

Executive Council

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Ralph Klein, *Premier*
April 10, 2001

INTRODUCTION

Programs within Executive Council that report to the Premier include Office of the Premier/ General Administration and the Public Affairs Bureau.

OFFICE OF THE PREMIER/GENERAL ADMINISTRATION

The Office of the Premier/General Administration will continue to provide responsive support to the Premier, while maintaining open communication between the Office and Albertans. Programs for senior international visitors, provincial government ceremonial events, and protocol advice will continue to be provided. Support for policy co-ordination and business planning will also be provided. In addition, administrative support will be provided to Executive Council, its Members and Committees and the Office of the Lieutenant Governor with a focus on efficiency, effectiveness and economy.

PUBLIC AFFAIRS BUREAU BUSINESS PLAN

MISSION / VISION

The Public Affairs Bureau helps the government in its ongoing dialogue with Albertans by providing quality, coordinated and cost-effective communications and consulting services.

CORE BUSINESSES

1. **Help government ministries communicate with Albertans**

- supply professionals to government departments to develop and implement communications programs
- provide communications planning and consulting support to government
- coordinate government communications to and from Albertans on priority areas, for government initiatives, and during public emergencies
- provide specialized writing and editing services to government
- help government departments purchase communications support services, including advertising, printing and graphic design

2. **Provide Albertans with two-way access to government**

- manage the RITE telephone system, to give Albertans toll-free access to government
- manage the two-way flow of information through the Alberta Government Internet Home Page and Alberta Connects, manage the province-wide distribution of news releases and provide technical support for major government news conferences and announcements

3. **Publish and sell Alberta's laws and other materials**

- publish and sell Alberta's laws and other government materials, and operate the Queen's Printer Bookstores in Edmonton and Calgary

GOALS AND STRATEGIES

This plan highlights an increased focus on using electronic communications to deliver information to the public and within government. It also features a growing focus on communicating with Albertans about government actions and results in priority areas. We will continue to align our strategies with the priorities set out by government as a whole. Working from the Bureau's network of staff assigned to communications branches throughout government, we will also focus on encouraging and leading opportunities for cross ministry partnerships.

GOAL 1: INCREASE COMMUNICATIONS WITH ALBERTANS IN THE AREAS THEY IDENTIFY AS TOP PRIORITIES

- Increase the public's awareness and use of the Alberta Connects program and investigate new ways of using Alberta Connects, such as phone technologies and television.
- Work with ministries to respond to Albertans' requests for information in priority areas like health care, education, infrastructure, and economic development.

GOAL 2: MAKE GOVERNMENT INFORMATION MORE ACCESSIBLE TO ALBERTANS

- Redesign the Government Internet Home Page to better respond to user needs, improve access to information and to set the stage for the Alberta One-Window Initiative.
- Work to refine and improve new paper and electronic format RITE telephone directories.

GOAL 3: IMPROVE THE EFFICIENCY AND COORDINATION OF COMMUNICATIONS ACROSS GOVERNMENT

- Provide an on-line order system for use by government offices ordering Alberta Government stationery items.
- Relocate the Queen's Printer Bookstore operations closer to customers, government centre and central Bureau offices.
- Update the Bureau's Human Resource Plan to include initiatives such as working to place Public Affairs Officer Interns and Information Technology co-op students into continuing positions.

GOAL 4: DELIVER PRODUCTS AND SERVICES THAT ALLOW US TO MEET OR EXCEED REVENUE PROJECTIONS AND CUSTOMERS' NEEDS

- Work with Alberta Justice and Attorney General to compile and publish a revised version of the Statutes of Alberta (RSA 2000).
- Redesign the Bookstore's Internet site to provide customized access, improved navigation features and a streamlined e-commerce function.

PERFORMANCE MEASURES

PUBLIC SATISFACTION WITH GOVERNMENT COMMUNICATIONS IN PRIORITY AREAS

This measure, which began in 1999-2000, is related to Goal One. It rates Albertans' overall satisfaction with the type of information they receive, either directly from the government or through other sources, in areas they have previously identified as priorities.

PUBLIC SATISFACTION WITH GOVERNMENT COMMUNICATIONS IN PRIORITY AREAS

1996-97	1997-98	1998-99	1999-2000 Actual	2000-01 Target	2001-02 Target
N/A	N/A	N/A	66%	75%	75%

PUBLIC SATISFACTION WITH GOVERNMENT INFORMATION

This measure is related to Goal Two. It rates Albertans' overall satisfaction level with the information they receive about all government programs and services, either directly from the government or through other sources.

PUBLIC SATISFACTION WITH GOVERNMENT INFORMATION

1996-97 Actual	1997-98 Actual	1998-99 Actual	1999-2000 Actual	2000-01 Target	2001-02 Target
66%	66%	69%	69%	75%	75%

PUBLIC SATISFACTION WITH RITE AND QUEEN'S PRINTER BOOKSTORES

This measurement is related to Goal Two. It rates the satisfaction levels of Albertans using the RITE telephone system to access government and obtain information, as well as the satisfaction levels of Queen's Printer Bookstore customers.

PUBLIC SATISFACTION WITH RITE AND QUEEN'S PRINTER BOOKSTORE

1996-97 Actual	1997-98 Actual	1998-99 Actual	1999-2000 Actual	2000-01 Target	2001-02 Target
96%	97%	96%	95%	98%	98%

GOVERNMENT CLIENT SATISFACTION

This measurement is related to Goal Three. It rates government client satisfaction levels with the communications services provided by the Public Affairs Bureau.

GOVERNMENT CLIENT SATISFACTION

1996-97 Actual	1997-98 Actual	1998-99 Actual	1999-2000 Actual	2000-01 Target	2001-02 Target
85%	90%	89%	89%	90%	90%

CUSTOMER SATISFACTION WITH PRODUCTS

This new measure is related to Goal Four. It rates the satisfaction of Queen's Printer Bookstore customers with the products available. The measure began in 1998-99.

CUSTOMER SATISFACTION WITH PRODUCTS

1996-97 Actual	1997-98 Actual	1998-99 Actual	1999-2000 Actual	2000-01 Target	2001-02 Target
N/A	N/A	97%	97%	98%	98%

MAINTAINING REVENUE

This new measure is related to Goal Four. It compares authorized revenue projections with the results actually achieved.

REVENUE
(thousands of dollars)

1996-97		1997-98		1998-99		1999-2000		2000-01	2001-02	2002-03	2003-04
Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Target	Target	Target
$1,505	**$1,637**	$1,525	**$1,581**	$1,770	**$1,925**	$1,525	**$1,799**	$1,525	$2,500	$2,000	$1,500

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Office of the Premier / General Administration	4,581	4,665	4,665	4,918	4,999	5,138
Public Affairs Bureau						
Help Ministries Communicate with Albertans	5,849	5,993	5,993	6,238	6,180	6,334
Provide Albertans with 2-way Access to Government	1,632	1,668	1,668	1,525	1,772	1,812
Publish and Sell Alberta's Laws and Other Material	1,479	1,446	1,446	2,488	1,994	2,012
MINISTRY EXPENSE	13,541	13,772	13,772	15,169	14,945	15,296

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Other Revenue	1,812	1,525	1,700	2,500	2,000	1,500
MINISTRY REVENUE	1,812	1,525	1,700	2,500	2,000	1,500
EXPENSE						
Program						
Office of the Premier / General Administration	4,581	4,665	4,665	4,918	4,999	5,138
Public Affairs	8,985	9,107	9,107	10,251	9,946	10,158
Valuation Adjustments and Other Provisions	(25)	-	-	-	-	-
MINISTRY EXPENSE	13,541	13,772	13,772	15,169	14,945	15,296
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(11,729)	(12,247)	(12,072)	(12,669)	(12,945)	(13,796)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	1,812	1,525	1,700	2,500	2,000	1,500
Inter-ministry consolidation adjustments	(183)	(322)	(180)	(425)	(250)	(200)
Consolidated Revenue	1,629	1,203	1,520	2,075	1,750	1,300
Ministry Program Expense	13,541	13,772	13,772	15,169	14,945	15,296
Inter-ministry consolidation adjustments	(183)	(322)	(180)	(425)	(250)	(200)
Consolidated Program Expense	**13,358**	**13,450**	**13,592**	**14,744**	**14,695**	**15,096**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(11,729)	(12,247)	(12,072)	(12,669)	(12,945)	(13,796)

Finance

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Patricia L. Nelson, *Minister of Finance*
April 10, 2001

FINANCE'S VISION

Working together to provide renowned and innovative financial leadership.

FINANCE'S MISSION (CORE BUSINESSES)

- Manage financial assets and liabilities prudently.
- Facilitate sound fiscal planning and decision-making.
- Foster an effective accountability framework.
- Foster access to comprehensive and competitive financial products and services, and pension plans.
- Administer the regulatory framework to reduce the risk of financial loss to pension plan members, depositors and policyholders.

FINANCE GOALS FOR 2001-04

1. A strong sustainable financial position.
2. Open and accountable government.
3. A fair and competitive provincial tax system.
4. Minimize borrowing and financing costs subject to acceptable risk.
5. Foster confidence in, and encourage the availability of comprehensive, reliable, and competitive financial products and services.
6. Foster confidence in Alberta-registered pension plans.

Note: In addition to the Finance Department, the Ministry of Finance includes the activities of Alberta Government Telephones Commission and its subsidiaries, Alberta Insurance Council, Alberta Municipal Financing Corporation, Alberta Pensions Administration Corporation, Alberta Treasury Branches and its subsidiary ATB Investment Services Inc., Credit Union Deposit Guarantee Corporation and its subsidiaries. Additional details for the larger organizations are contained in the supplementary information to the Ministry Plan.

GOAL 1: A STRONG SUSTAINABLE FINANCIAL POSITION

Related Core Government Measures: Provincial Credit Rating, Accumulated Debt, Cost of Government

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Pay down the province's accumulated debt in accordance with the *Fiscal Responsibility Act*. Establish a prudent economic cushion in the fiscal plan that, if realized, can be used under the *Fiscal Responsibility Act* for paying down accumulated debt and in-year spending or revenue reduction initiatives. • Plan for a debt free Alberta. • Advise and support the Minister of Finance and Treasury Board on business planning and budgeting, economic and fiscal policies and prudent forecasts of fiscal and economic conditions. • In co-operation with Executive Council, co-ordinate an overall government business plan, including key government-wide performance measures. • In consultation with ministries, strengthen the planning, budgeting and reporting processes for infrastructure programs. • Develop and communicate common economic and financial assumptions for business planning across government. • Monitor achievement of the fiscal plan and business plans. • In consultation with ministries and ACSC, establish standards, policies and guidelines for overall government that facilitate sound financial administration within ministries. • With ministries, continue to enhance and refine three year business plans.	• Financial plans and policies that ensure Alberta's finances are well managed. • The province's finances are in order and the debt burden for Albertans is eliminated. • The government fiscal plan is integrated with the business plans. • Ministry business plans and related performance measures are congruent with, and linked to, the overall government business plan and government performance measures.	• **Accumulated Debt Reduction; target: milestones as identified in the *Fiscal Responsibility Act*.** • Alberta's credit rating; target: • best among the provinces; and • domestic debt rated AAA.
• Develop Alberta's position on federal-provincial fiscal arrangements and, in conjunction with the other provinces, present that position to the federal government.	• Sustainable federal funding for Alberta's social programs. • The Canada Health and Social Transfer (CHST) remains the primary mechanism for health and social transfers.	CHST targets: • Short-term targets: • immediate restoration of the CHST and introduction of an appropriate cash escalator • all new health and social funding is equal to those of all other provinces on a per capita basis. • Long-term targets: • equal per capita transfer for all CHST cash. • CHST cash replaced with a tax point transfer.
• Work with the federal government and the other provinces to ensure the sustainability of the Canada Pension Plan.	• A Canada Pension Plan that has a sound governance structure, is affordable and viable over the long term and has public confidence.	• Agreement by Finance Ministers on legislative amendments to the *Canada Pension Plan Act* at the end of the next renewal period (December 2002).

Note: Key performance measures appear in bold throughout the goals section.

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• In consultation with public sector pension boards and stakeholders, facilitate the development of new pension governance frameworks including efficient management of boards' requests for policy changes.	• More appropriate, effective and accountable public sector pension plan governance that is sound enough to withstand events that may arise over the life of the plan. • Less day-to-day involvement of the government in public sector pension plan decisions.	Preliminary targets of good pension plan governance: • Separation of sponsor (policy making) and trustee (administrative) functions. • Mechanism exists for transparent accountability. • Parties exposed to financial risk are directly involved.
• Oversee the pay down of the province's obligation for public sector pension plans.	• More security for current and future pensioners.	• Public sector pension plans at fully funded status as certified by an actuary.
• Maximize long-term return on the government's investments to generate sustainable income to support the province's financial position.	• Continued investment performance that meets or exceeds the established performance benchmarks.	• Clearly defined investment benchmarks have been established for the government's investments.
• Implement an integrated approach to managing financial risks.	• Better identification and management of corporate financial risks.	• Quantification of risk for all material assets, liabilities, revenues and expenses.
• Pursue opportunities to dispose of remaining non-core financial assets (e.g., loans). • Manage contingent liabilities under loan guarantees.	• Increased focus on market investment activity.	• Dollars received; target: fair market value. • Assets remaining to be disposed of; target: zero. • Amount of contingent liabilities under administration; target: zero, excluding ongoing programs.
• Concentrate cash and facilitate receipts and disbursements via efficient systems and banking arrangements using the latest technological developments in electronic commerce.	• All cash balances invested.	• Rate of return on Consolidated Cash Investment Trust Fund; target: return equal to or greater than ScotiaMcLeod 91-Day Treasury Bill Index.

GOAL 2: OPEN AND ACCOUNTABLE GOVERNMENT

Related Core Government Measures: Provincial Credit Rating

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Develop a three year fiscal and business plan for the government as part of the annual budget. Report to Albertans quarterly and annually, with financial and non-financial results as well as overall financial position.	• Public understanding of the government's performance and financial position. • Communication of clear, understandable and reliable information to the public.	• **Portion of Albertans aware of government's financial performance in the past year; target: 80% of Albertans aware.**
• Work with ministries to refine ministry responsibility and accountability for financial management, including the reporting of results and business outcomes at the ministry level.	• Ministries responsible and accountable for their internal financial management.	• Satisfaction of deputy heads with the government's accountability system; target: all satisfied or very satisfied.

GOAL 3: A FAIR AND COMPETITIVE PROVINCIAL TAX SYSTEM

Related Core Government Measures: Taxation Load, Job Growth

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Ensure that Alberta's personal tax system promotes self-reliance and wealth creation, and is fair to Albertans.	• A tax system that encourages Albertans to work and that supports families. • Higher employment participation rates.*	• **Provincial tax load for a family of 4; target: lowest in Canada.** • Personal tax load; target: lowest in Canada. • Employment participation rate; target: highest in Canada. • Total tax load as a percentage of GDP; target: 29%.
• Enhance the competitiveness of Alberta's business tax system (including income, commodity and property taxes) with those of other jurisdictions. • Implement the April 1, 2001 business tax plan changes; implement the 2002-04 tax plan steps subject to affordability.	• A competitive corporate tax regime that attracts business and investment. (Shared outcome with Ministry of Revenue)	• **Provincial tax load on businesses; target: the lowest in Canada.** • Percent annual growth in business registrations; target: 3%. (Shared performance measure with Ministry of Revenue)
• Negotiate to enhance policy flexibility under the tax collection agreement.	• Enhanced policy flexibility at a reasonable cost.	• To be developed.
• Work in partnership with Ministry of Revenue, Canada Customs and Revenue Agency, and other provinces to harmonize tax programs and processes.	• Increased harmony of tax programs between governments and reduced overlap and duplication.	• Acceptance of harmonization initiatives by other jurisdictions.

***Note:** The employment participation rate excludes the value of unpaid work.

GOAL 4: MINIMIZE BORROWING AND FINANCING COSTS, SUBJECT TO ACCEPTABLE RISK

Related Core Government Measures: Provincial Credit Rating, Accumulated Debt

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Prudently manage the investments of the General Revenue Fund set aside to retire debt.	• Cash available to meet future maturities of the accumulated debt. • Reasonable return on invested funds.	• Performance measure to be developed.
• Analyze new products and implement those that contribute to liability objectives. • Enhance the management of risk by implementing new monitoring and analytical tools. • Update regulatory and legal documents/processes as required to ensure debt can be issued in various jurisdictions. • Monitor domestic market for opportunities to issue privately placed debt at an all-in cost saving relative to public debt issues.	• Efficient and prudent management of the province's financial liabilities. • Reduced costs or risks. • Low borrowing costs.	• Cost savings compared to Canadian public debt issues of comparable term. • Market Spreads - Alberta's cost of borrowing, compared to the federal government's cost; target: the lowest spread of any province.
• Continue to provide timely information to investors in Province of Alberta debt issues and to credit rating agencies, in cost effective ways.	• Investors and credit rating agencies understand the province's financial position.	• Satisfaction of investors and credit rating agency personnel; target: 4 out of 5 satisfied or very satisfied.

GOAL 5: FOSTER CONFIDENCE IN, AND ENCOURAGE THE AVAILABILITY OF COMPREHENSIVE, RELIABLE, AND COMPETITIVE FINANCIAL PRODUCTS AND SERVICES

Related Core Government Measures: GDP, Job Growth

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Establish processes to improve co-operation between Alberta regulatory agencies (Ministry of Finance, Ministry of Revenue, Alberta Insurance Council, Credit Union Deposit Guarantee Corporation and Alberta Securities Commission). • Influence national initiatives which impact the effectiveness of regulation of Alberta's financial institutions. • Develop a response to the electronic distribution of financial products, information and other market innovations. • Enable Albertans to control personal information that can be used by a financial service provider authorized to operate in Alberta. • Foster resolution of disputes between the industry and its clients. • Simplify and improve contractual and claims requirements and processes.	• An efficient and fair regulatory environment for financial services and the capital market. • Unbiased mechanisms for consumers to seek redress. • A regulatory environment that reflects today's rapidly changing financial market place.	• Satisfaction of financial institutions with the efficiency and fairness of the regulatory environment; target: 4 out of 5 satisfied or very satisfied. Stakeholders will be surveyed bi-annually commencing 2001. • Percentage of financial institutions meeting legislated capital adequacy requirements; target: 100%.
• Carry out a policy review of compensation for automobile injury claims.	• Fair compensation for claimants and more stable automobile insurance premiums.	• Reform proposals accepted by government are implemented.
• Develop the regulations regarding the solvency and governance of Alberta incorporated property and casualty insurers.	• Sound business practices by provincially incorporated property and casualty insurers.	• Percentage of property and casualty insurers that have the legislated minimum capital requirements; target: 100%.
• Provide financial services through Alberta Treasury Branches, based on sound banking and business principles, to all Albertans with a focus on independent business, personal and agri-industries lending.	• Personalised financial services to Albertans throughout the province. • Profitable operation of Alberta Treasury Branches.	• Meet and exceed customer expectations in its three target markets (independent business, personal and agri-industries lending). • Achieve, over time, profitability, efficiency and loan loss ratios comparable to the major banks.
• Provide quality pension administration services to Alberta's public sector pension employees and employers and to the boards of those plans through Alberta Pensions Administration Corporation at the lowest possible cost.	• Accurate and timely payment of pension benefits. • Timely, accurate and understandable pension information provided to employees, employers and boards.	• Satisfaction of client employees and employers with products and services; target: 4 out of 5 satisfied or very satisfied.
• Lend to local authorities for capital projects at the lowest possible cost, consistent with the viability of the Alberta Municipal Financing Corporation (AMFC). • Investigate possible reform of AMFC corporate governance.	• Access for local authorities to financing at or near the province's cost of borrowing. • Improved corporate governance.	• Alberta local authorities' cost of borrowing from AMFC is lowest among Canadian municipalities. • Satisfaction of local authorities with lending policies and efficiency of AMFC; target: 4 out of 5 satisfied or very satisfied. Local authorities are surveyed triennially (commenced in 1999-2000).

GOAL 6: FOSTER CONFIDENCE IN ALBERTA-REGISTERED PENSION PLANS

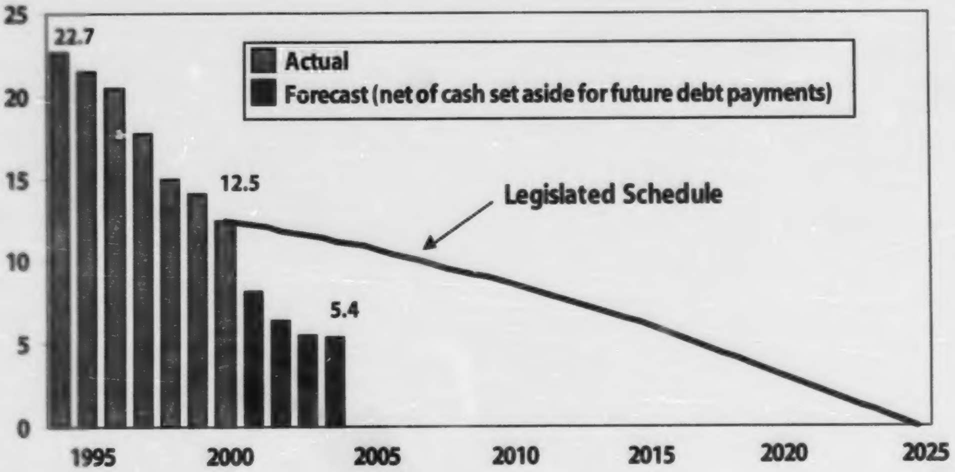
Related Core Government Measures: GDP, Job Growth

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Promote consistent legislative standards and administrative roles, rules and procedures among Canadian jurisdictions.	• An efficient and fair regulatory environment for pensions.	• Satisfaction of pension plan administrators with the efficiency and fairness of regulatory environment; target: 4 out of 5 satisfied or very satisfied. Stakeholders will be surveyed bi-annually commencing 2001.
• Develop a response to the electronic distribution of pension information and other market innovations.	• A regulatory environment that reflects today's rapidly changing financial marketplace.	• Satisfaction of Plan members with the quality of assistance, advice and information provided (form and frequency of survey under review).
• Develop a risk assessment system to help identify pension plans needing special attention and assistance to maintain registered status.	• An effective regulatory regime that focuses resources where required.	• Percentage of private sector defined benefit pension plans having solvency ratios equalling or exceeding 0.9; target: 85% of registered defined benefit pension plans will have solvency ratios that equal or exceed 0.9. • Compliance problems in "at risk" pension plans resolved within acceptable periods of time; target: To be developed.

KEY PERFORMANCE MEASURES

ACCUMULATED DEBT

Accumulated Debt is an indicator of the financial strength of the province and the long-term performance of the government. It is compared against the targets set out in the *Fiscal Responsibility Act* and includes the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation and the government's liability for school construction debt.



Preliminary Actual at March 31, 2001.
Source: Ministry of Finance.

PUBLIC AWARENESS OF GOVERNMENT FINANCIAL PERFORMANCE

This measures the portion of Albertans aware of the government's financial performance in the past year. The target is 80% of Albertans.

Date of Survey	% Awareness
November 1995	34%
October 1996	66%
October 1997	72%
September 1998	69%
December 1999	70%
February 2001	70%

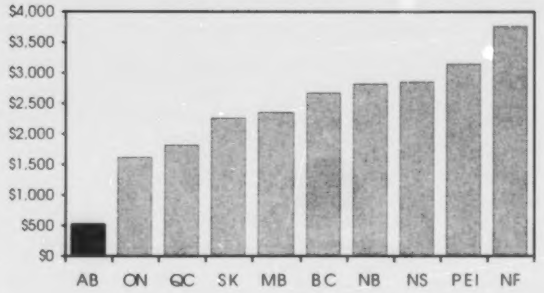
TAXATION LOAD ON A FAMILY OF FOUR (TWO CHILDREN)

This measure compares typical taxes, including provincial income, sales, payroll, fuel and tobacco taxes (excluding federal taxes), and health care insurance premiums payable by a family with two children earning $30,000, $60,000 and $100,000. The target is to have the lowest provincial tax load for a family of four in Canada.

FAMILY EARNING $30,000

Taxes and Health Care Insurance Premiums

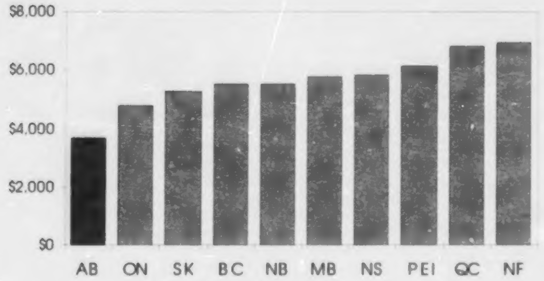
(One-income family with two children)



FAMILY EARNING $60,000

Taxes and Health Care Insurance Premiums

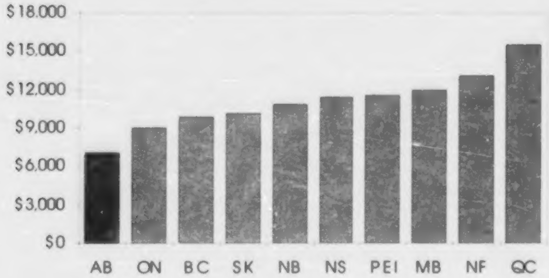
(Two-income family with two children)



FAMILY EARNING $100,000

Taxes and Health Care Insurance Premiums

(Two-income family with two children)



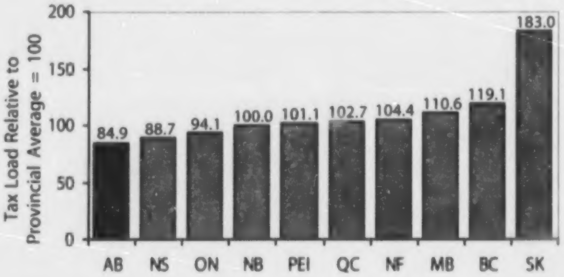
Note: as of April 4, 2001
Source: Ministry of Finance

TAXATION LOAD ON BUSINESSES

This measure compares provincial tax load on businesses and includes business income taxes, capital taxes, and insurance corporation taxes. The target is to have the lowest provincial tax load on businesses in Canada.

PROVINCIAL TAX LOAD ON BUSINESSES* 2001-02

(% of provincial average)



* Includes business income taxes, capital taxes and insurance corporation taxes.

Source: Federal Department of Finance, Equalization Estimates, First Estimate, February 2001

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Manage Financial Assets and Liabilities Prudently	962,296	984,585	1,001,927	753,398	621,291	516,135
Facilitate Sound Fiscal Planning and Decision Making	5,112	5,193	5,157	5,409	5,455	5,591
Foster an Effective Accountability Framework	4,868	4,905	4,865	5,036	5,086	5,198
Foster Access to Comprehensive Financial Products and Services, and Pension Plans	514,954	487,358	485,859	444,089	417,481	391,409
Administer the Regulatory Framework for Pension Plan Members, Depositors and Policy Holders	3,268	3,767	3,831	4,043	4,782	4,767
MINISTRY EXPENSE	1,490,498	1,485,808	1,501,639	1,211,975	1,054,095	923,100

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	112,486	50,323	166,223	44,031	361,282	456,345
Other Taxes	352	350	420	350	350	350
Transfers from Government of Canada	3,883	3,883	3,883	3,883	3,883	3,883
Investment Income	507,561	489,495	508,256	557,375	511,276	430,996
Premiums, Fees and Licences	20,439	15,151	13,976	18,008	21,346	24,200
Net Income from Commercial Operations	245,538	118,233	167,042	155,264	171,778	190,467
Other Revenue	19,225	20,500	22,172	23,486	23,663	23,455
MINISTRY REVENUE	909,484	697,935	881,972	802,397	1,093,578	1,129,696
EXPENSE						
Program						
Fiscal Planning and Accountability	7,937	8,200	8,100	8,266	8,372	8,573
Liability Management	1,928	2,038	2,060	2,037	2,093	2,160
Investment Operations	2,773	3,094	3,296	3,178	3,359	3,515
Regulation of Financial Institutions and Insurance Companies	3,044	3,617	3,653	3,817	4,541	4,501
Ministry Support Services	3,939	3,967	3,983	4,549	4,598	4,718
Pensions	76,995	84,109	78,414	85,333	85,649	85,787
Financial Assistance to Farmers and Small Businesses	3,968	2,400	2,400	1,600	1,200	800
Financing to Local Authorities	437,553	402,797	407,047	358,215	331,277	305,075
Valuation Adjustments and Other Provisions	189	2,000	(1,900)	1,500	1,300	1,450
Program Expense*	538,326	512,222	507,053	468,495	442,389	416,579
Debt Servicing Costs						
Department Voted	101,036	90,586	90,586	80,480	70,706	61,521
Department Statutory	851,136	883,000	904,000	663,000	541,000	445,000
Ministry Debt Servicing Costs	952,172	973,586	994,586	743,480	611,706	506,521
MINISTRY EXPENSE	1,490,498	1,485,808	1,501,639	1,211,975	1,054,095	923,100
Gain (Loss) on Disposal of Capital Assets	(9)	-	(20)	-	-	-
NET OPERATING RESULT	(581,023)	(787,873)	(619,687)	(409,578)	39,483	206,596

* Subject to the Fiscal Responsibility Act. Program expense includes the province's cash payments towards the unfunded pension liability (which will be eliminated under a separate legislated plan). Program expense does not include the annual change in the unfunded pension obligations, which is a non-cash expense that does not affect borrowing requirements. The annual increases (decreases) in the Ministry of Finance's unfunded pension obligations are:

(94,000) (7,000) (8,000) (7,000) (6,000) (7,000)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	909,484	697,935	881,972	802,397	1,093,578	1,129,696
Inter-ministry consolidation adjustments	(177,081)	(119,635)	(228,632)	(123,287)	(444,944)	(542,925)
Consolidated Revenue	732,403	578,300	653,340	679,110	648,634	586,771
Ministry Program Expense	538,326	512,222	507,053	468,495	442,389	416,579
Inter-ministry consolidation adjustments	(16,018)	(3,851)	(3,804)	(42)	(44)	(45)
Consolidated Program Expense	**522,308**	**508,371**	**503,249**	**468,453**	**442,345**	**416,534**
Ministry Debt Servicing Costs	952,172	973,586	994,586	743,480	611,706	506,521
Inter-ministry consolidation adjustments	(113,749)	(120,635)	(112,522)	(110,152)	(101,472)	(103,531)
Consolidated Debt Servicing Costs	838,423	852,951	882,064	633,328	510,234	402,990
Consolidated Expense	1,360,731	1,361,322	1,385,313	1,101,781	952,579	819,524
Gain (Loss) on Disposal of Capital Assets	(9)	-	(20)	-	-	-
CONSOLIDATED NET OPERATING RESULT	(628,337)	(783,022)	(731,993)	(422,671)	(303,945)	(232,753)

Gaming

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Ron Stevens, QC, *Minister of Gaming*
April 10, 2001

INTRODUCTION

The Ministry of Gaming includes the Department of Gaming, the Alberta Gaming and Liquor Commission, the Alberta Gaming Research Council and responsibility for the *Racing Corporation Act*.

DEPARTMENT OF GAMING

The department's responsibilities include business management and policy support for the Ministry of Gaming, communications, and lottery funding programs, including the Community Lottery Board Grant Program and the Community Facility Enhancement Program. The department benefits from services provided by the Alberta Gaming and Liquor Commission in the areas of human resources and information technology.

ALBERTA GAMING AND LIQUOR COMMISSION (AGLC)

The Alberta Gaming and Liquor Commission (AGLC), an agent of the Government of Alberta, consists of a Board and a Corporation. The Corporation acts as the operational arm of the organization, while the Board is responsible for policy and regulatory matters. The Commission ensures that gaming and liquor activities in Alberta are conducted with integrity and social responsibility, and maximize the long-term economic benefits for Albertans. The AGLC administers the Alberta Lottery Fund under the provisions of the *Gaming and Liquor Act*. The business plan for the AGLC begins on page 170.

ALBERTA GAMING RESEARCH COUNCIL

The Alberta Gaming Research Council is a broad-based advisory group to the Minister of Gaming. The council is made up of representatives from the gaming industry, the Aboriginal community, youth, seniors, law enforcement, the Alberta Alcohol and Drug Abuse Commission (AADAC), Alberta Gaming, and Alberta Health and Wellness. The Council was established to help direct the research activities of the Alberta Gaming Research Institute. The Institute is an independent consortium of the Universities of Alberta, Calgary and Lethbridge that conducts research into the social and economic aspects of gaming, emerging gaming trends and problem gambling prevention and treatment.

RACING CORPORATION ACT

The Minister of Gaming is also responsible for *The Racing Corporation Act*. The legislation places the responsibility for management and regulation of the horse racing industry in Alberta with a private, not-for-profit agency – the Alberta Racing Corporation.

KEY INITIATIVES

Alberta Gaming continues to identify and work on major initiatives related to gaming and liquor activities in the province. The outcome of these initiatives will have a significant impact on our business over the next three years. These initiatives include:

- consider the recommendations from the gaming licensing policy review to ensure that the appropriate policies and procedures are in place to deal effectively with Alberta's growing and maturing gaming industry;

- develop policy related to gaming facilities on First Nations' land; and
- develop policies related to emerging issues.

VISION

A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced services in its liquor and gaming industries.

MISSION

To ensure integrity, transparency, disclosure, public consultation and accountability in Alberta's gaming and liquor industries to achieve the maximum benefit for Albertans.

CORE BUSINESSES

The Ministry of Gaming has the following three core businesses.

1. Develop provincial gaming and liquor legislation and policy, and regulate the gaming and liquor industries in accordance with legislation and policy;
2. Manage the Alberta Lottery Fund and administer designated lottery-funded programs to support Alberta communities; and
3. Support leading-edge research on gaming and liquor issues in Alberta.

CORE BUSINESSES, GOALS, KEY STRATEGIES AND MEASURES

CORE BUSINESS #1: DEVELOP PROVINCIAL GAMING AND LIQUOR LEGISLATION AND POLICY, AND REGULATE THE GAMING AND LIQUOR INDUSTRIES IN ACCORDANCE WITH LEGISLATION AND POLICY.

The Ministry develops gaming and liquor legislation, regulation and policy in Alberta, and is committed to developing legislation, regulation and policy that strike a balance between choice and responsibility in gaming and liquor activities.

GOAL	KEY STRATEGIES
• Alberta gaming and liquor policy achieves a balance between social responsibility and economic benefit to Albertans.	• Monitor the gaming and liquor industries to identify emerging issues and trends, such as potential growth, and develop policies to address these issues. • Ensure that regulation of the gaming and liquor industries supports legislation and policy. • Monitor gaming and liquor policies in other jurisdictions and develop and implement benchmarks and best practices. • Ensure Albertans are aware of gaming and liquor policy and are consulted with respect to major policy initiatives. • Ensure First Nations gaming policy is consistent with the government's Aboriginal Policy Framework.

PERFORMANCE MEASURES

- Percentage of Albertans surveyed who are satisfied with the conduct of the liquor business in Alberta.

Target 2001-2002	Target 2002-2003	Target 2003-2004
70%	75%	80%

- Percentage of Albertans surveyed who are satisfied with the conduct of legal gaming entertainment in Alberta.

Target 2001-2002	Target 2002-2003	Target 2003-2004
65%	70%	75%

CORE BUSINESS #2: MANAGE THE ALBERTA LOTTERY FUND AND ADMINISTER DESIGNATED LOTTERY-FUNDED PROGRAMS TO SUPPORT ALBERTA COMMUNITIES.

All provincial government gaming revenue is directed to the Alberta Lottery Fund and identified for use in specific charitable, non-profit, public and community-based initiatives.

The Department of Gaming coordinates development of the Lottery Fund budget and administers designated lottery-funded programs. The Alberta Gaming and Liquor Commission (AGLC) is responsible for administration of the Alberta Lottery Fund, including collection of revenues and disbursement of revenues according to an Appropriation Act.

Alberta Lottery Fund expenditures support programs, projects and foundations administered by various ministries.

GOAL	KEY STRATEGIES
• Lottery funds support charitable, non-profit, public and community-based initiatives.	• Review the disbursement of Alberta Lottery Fund proceeds to ensure all funds are being allocated and expended according to policy and intended use. • Provide Community Lottery Board Grant Program funds to enhance and support project-based community initiatives determined through a local decision-making process. • Provide Community Facility Enhancement Program matching grants to improve Alberta's public-use facilities. • Implement and manage changes to the process for distributing revenues, and ensuring accountability for those revenues distributed to the horse racing industry, based upon the terms of the Racing Industry Renewal Initiative. • Develop a process to measure customer satisfaction. • Ensure Albertans are informed of the initiatives supported by the Alberta Lottery Fund.

PERFORMANCE MEASURES

- Percentage of Alberta Lottery Fund disbursements committed to supporting charitable, non-profit, public and community-based initiatives.

Target 2001-2002	Target 2002-2003	Target 2003-2004
100%	100%	100%

- Percentage of administration costs of lottery-funded programs administered by the Department of Gaming.

Target 2001-2002	Target 2002-2003	Target 2003-2004
Less than 2% of program disbursements	Less than 2% of program disbursements	Less than 2% of program disbursements

- Percentage of Albertans who are aware of the Alberta Lottery Fund and its support for communities and charitable, non-profit organizations.

Target 2001-2002	Target 2002-2003	Target 2003-2004
Establish baseline	Increasing over time	90% of Albertans surveyed

CORE BUSINESS #3: SUPPORT LEADING-EDGE RESEARCH ON GAMING AND LIQUOR ISSUES IN ALBERTA.

Alberta is committed to being a key partner in supporting gaming and liquor related research. The Ministry established the Gaming Research Council to help direct the activities of the Alberta Gaming Research Institute – a consortium of the Universities of Alberta, Calgary and Lethbridge. The Institute is funded by the Alberta Lottery Fund to conduct research into the social and economic aspects of gaming, emerging gaming trends and problem gambling prevention and treatment.

Through legislation, policy and partnerships, the Ministry also supports the responsible use and enjoyment of alcohol and gaming entertainment.

GOAL	KEY STRATEGIES
• The Ministry is a partner in leading-edge gaming and liquor research.	• Support research into, and inform Albertans of, the social and economic aspects of gaming. • In partnership with AADAC and the gaming and liquor industries, ensure consumers of alcohol and gaming products are aware of prevention and treatment programs for problem gambling and alcohol abuse.

PERFORMANCE MEASURES

- Percentage of partners who are satisfied with level of support and cooperation for research, prevention and treatment programs.

Target 2001-2002	Target 2002-2003	Target 2003-2004
Establish baseline	Increasing over time	90%

- Percentage of Albertans surveyed who are aware of prevention and treatment programs for problem gambling and alcohol abuse.

Target 2001-2002	Target 2002-2003	Target 2003-2004
Establish baseline	Increasing over time	70%

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Develop Legislation, Regulations and Policy for the Gaming and Liquor Industries	70,292	73,377	73,377	89,794	101,105	114,468
Manage the Alberta Lottery Fund and administer Designated Lottery Programs	810,476	781,412	897,312	945,318	1,011,302	1,047,602
Support Gaming and Liquor Research	1,637	1,719	1,719	1,749	1,757	1,760
MINISTRY EXPENSE	882,405	856,508	972,408	1,036,861	1,114,164	1,163,830

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Net Income from Commercial Operations						
Video Lottery Terminal Revenue	525,330	520,200	563,000	547,000	554,000	563,000
Casino Gaming Terminal Revenue	174,432	157,900	232,000	308,949	377,749	416,754
Ticket Lottery Revenue	157,502	153,300	152,300	154,000	155,000	156,000
Liquor and Related Revenue	469,883	457,614	470,000	478,000	487,000	497,000
Investment Income						
Lottery Fund Interest Revenue	6,469	6,100	6,100	6,000	6,000	6,000
Other Revenue						
Various	126	-	-	-	-	-
MINISTRY REVENUE	1,333,742	1,295,114	1,423,400	1,493,949	1,579,749	1,638,754
EXPENSE						
Program						
Ministry Support Services	1,348	1,205	1,205	1,504	1,585	1,639
Gaming Research	1,500	1,600	1,600	1,600	1,600	1,600
Lottery Funded Programs	106,350	107,794	107,794	125,631	142,761	142,776
Financial Assistance to Alberta Gaming and Liquor Commission	69,248	72,442	72,442	88,628	99,876	113,196
Lottery Fund Payments to Other Ministries	703,959	673,467	789,367	819,498	868,342	904,619
MINISTRY EXPENSE	882,405	856,508	972,408	1,036,861	1,114,164	1,163,830
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	451,337	438,606	450,992	457,088	465,585	474,924

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	1,333,742	1,295,114	1,423,400	1,493,949	1,579,749	1,638,754
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	1,333,742	1,295,114	1,423,400	1,493,949	1,579,749	1,638,754
Ministry Program Expense	882,405	856,508	972,408	1,036,861	1,114,164	1,163,830
Inter-ministry consolidation adjustments	(703,959)	(673,467)	(789,367)	(819,498)	(868,342)	(904,619)
Consolidated Program Expense	**178,446**	**183,041**	**183,041**	**217,363**	**245,822**	**259,211**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	1,155,296	1,112,073	1,240,359	1,276,586	1,333,927	1,379,543

ALBERTA GAMING AND LIQUOR COMMISSION (AGLC) BUSINESS PLAN 2001-2004

The Alberta Gaming and Liquor Commission is an agent of the Government of Alberta and consists of a Board and a Corporation. The Corporation acts as the operational arm of the organization while the Board is responsible for policy and regulatory matters. The Board consists of a chair, a vice-chair, and three public members.

The responsibilities of the Board of the Alberta Gaming and Liquor Commission are defined in the *Gaming and Liquor Act*. These responsibilities are:

1. The Board ensures that the operations of the Commission are carried out in accordance with the legislation and Board direction.
2. The Board establishes policies for the operations of the Commission. The Board also takes policy direction from the Minister and develops strategies and plans for that policy direction to be effectively implemented.
3. The Board reviews and approves liquor and gaming licenses and registrations.
4. The Board, through the establishment of hearing panels consisting of Board members, conducts hearings into matters involving licenses and registrations and breaches of legislation.

The Corporation consists of administrative and operational components responsible for the day-to-day functioning of the Commission.

AGLC VISION

The AGLC, as an agent of the Government of Alberta, works to achieve the vision of the Ministry of Gaming, namely:

> A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced services in its liquor and gaming industries.

AGLC MISSION

To ensure that gaming and liquor activities in Alberta are conducted with integrity and social responsibility and to maximize long term economic benefits for Albertans.

AGLC VALUES

The Alberta Gaming and Liquor Commission is committed to operating according to the following values. We will:

- strive to balance social and economic responsibilities to the people of Alberta;
- act with integrity and in a fair and impartial manner;
- foster clear, open and courteous communications and consult with stakeholders;
- achieve excellence in customer service;
- nurture a working environment that is characterized by teamwork, collaboration, and open communication;
- be an innovative and adaptable organization that focuses on continuous improvement in the effectiveness and efficiency of our services and business processes; and
- be responsible stewards of assets entrusted to us, maintaining our accountability to the Province of Alberta.

AGLC CORE BUSINESSES

The Alberta Gaming and Liquor Commission has the following three core businesses:

1. License and regulate liquor activities.
2. License and regulate charitable gaming activities.
3. Conduct and manage provincial gaming activities – video lottery terminals, slot machines and lottery ticket sales.

The Alberta Gaming and Liquor Commission also acts as an agent of Alberta Revenue to enforce certain aspects of the *Tobacco Tax Act*, particularly related to the illegal sale and smuggling of tobacco products.

CORE BUSINESSES, GOALS, KEY STRATEGIES AND MEASURES OF THE AGLC

Core Business #1: LICENSE AND REGULATE LIQUOR ACTIVITIES.

The AGLC licenses, registers, regulates and monitors all liquor activities in the province according to the *Gaming and Liquor Act* and Regulation, other provincial and federal legislation, and AGLC policies.

GOAL	KEY STRATEGIES
• Develop liquor policy and conduct licensing activities in accordance with the *Gaming and Liquor Act* and Regulation.	• Conduct regular reviews of policy, terms and conditions and operating guidelines. • Administer policies concerning liquor activities, including policies on advertising and product promotion. • Review licensing application procedures and business practices to increase efficiency and customer service. • Conduct inspections relevant to applications. • Ensure licensees and registrants understand the legislation, operating guidelines and policies related to licences and registrations. • Ensure the collection and distribution of all liquor revenues is conducted according to legislation and policy.
• The importation, distribution, sale and consumption of liquor products are conducted according to legislation and policy.	• Ensure liquor products are registered, imported, stored, and distributed according to provincial legislation and policy. • Work with federal customs offices in Alberta to streamline the customs clearance process. • Conduct inspections of licensed premises and investigate all complaints concerning licensed liquor activities. • Investigate alleged violations of the *Gaming and Liquor Act* and Regulation. • Develop programs to prevent smuggling and the illicit sale of liquor. • Ensure beverage container management is conducted according to the Beverage Container Recycling Regulation.

PERFORMANCE MEASURES

- Licensees comply with legislation, regulations and policy.

Target 2001-2002	Target 2002-2003	Target 2003-2004
85%	87%	90%

- Percentage of licences and registrations approved within established timeframes.

Target 2001-2002	Target 2002-2003	Target 2003-2004
95%	97%	100%

- Percentage of liquor industry clients who are satisfied with level of service provided by AGLC.

Target 2001-2002	Target 2002-2003	Target 2003-2004
Establish baseline	Baseline + 5%	90%

Core Business #2: LICENSE AND REGULATE CHARITABLE GAMING ACTIVITIES.

Alberta is a leader with its charitable gaming model for casino, pull ticket, raffle and bingo events. These gaming activities only occur when eligible non-profit and charitable organizations apply for and receive licences to conduct gaming activities. Alberta's charitable gaming model ensures proceeds from gaming activities provide a benefit to the community. In 1999-2000 gaming revenue returned to charities from charitable gaming activities was $163 million.

GOAL	KEY STRATEGIES
• Develop gaming policy and conduct licensing activities under the authority of the *Criminal Code of Canada* and in accordance with the *Gaming and Liquor Act* and Regulation.	• Conduct regular reviews of policy, Terms and Conditions and Operating Guidelines. • Develop and implement policy on eligibility criteria and use of proceeds by charitable organizations. • Implement the policy direction arising from the licensing policy review. • Review licensing application procedures and business practices to increase efficiency and customer satisfaction. • Conduct inspections relevant to applications. • Ensure licensees and registrants understand the legislation, policy, Terms and Conditions and Operating Guidelines related to gaming.
• All gaming activities, use of proceeds and financial reporting are conducted according to legislation and policy.	• Manage the charitable gaming model and ensure compliance with respect to casino, bingo, raffle, and pull ticket events. • Ensure charities receive all funds to which they are entitled and that proceeds received from licensed gaming activities are used for approved purposes. • Conduct inspections and audits of gaming licensees and activities. • Improve sharing of information among enforcement agencies and stakeholders. • Investigate all complaints and alleged violations concerning licensed gaming activities. • Implement new audit programs and enhance existing audit programs. • Ensure implementation of and compliance with the First Nations gaming policy.

PERFORMANCE MEASURES

	Target 2001-2002	Target 2002-2003	Target 2003-2004
• Gaming activities are conducted in accordance with legislation, regulations and policy.	Compliance rates: Bingo: 90% Casino: 90% Pull Ticket: 80% Raffle: 80%	Compliance rates: Bingo: 92% Casino: 92% Pull Ticket: 82% Raffle: 82%	Compliance rates: Bingo: 95% Casino: 95% Pull Ticket: 85% Raffle: 85%

	Target 2001-2002	Target 2002-2003	Target 2003-2004
• Percentage of licences and registrations completed within established timeframes.	95%	97%	98%

	Target 2001-2002	Target 2002-2003	Target 2003-2004
• Percentage of gaming industry clients who are satisfied with level of service provided by AGLC.	Establish baseline	Baseline + 5%	90%

Core Business #3: CONDUCT AND MANAGE PROVINCIAL GAMING ACTIVITIES – VIDEO LOTTERY TERMINALS, SLOT MACHINES AND LOTTERY TICKET SALES.

The Alberta Gaming and Liquor Commission owns and operates two primary gaming networks in Alberta – video lottery terminals and slot machines in casino facilities and racing entertainment centres. The AGLC, in partnership with the Western Canada Lottery Corporation (WCLC), also operates ticket lotteries in the province.

GOAL	KEY STRATEGIES
• Ensure the video lottery network, casinos and ticket lottery network meet the levels of functionality, performance, game integrity, security and operational efficiencies in compliance with government policy and direction.	• Implement the policy direction arising from the licensing policy review. • Implement the replacement strategy for video lottery terminals, lottery ticket terminals and central monitoring system. • Establish performance standards for video lottery terminals and slot machines. • Maintain lottery ticket sales through enhanced retailer relations, targeted product advertising and promotion, and consumer awareness. • Enhance the technical service model to ensure appropriate on-site service to support the functionality, security and integrity of the video lottery terminal, slot machine, and ticket lottery networks. • Continuously review security requirements to ensure the integrity of gaming operations. • Work with the Alberta horse racing industry to assess the success of the Racing Industry Renewal Initiative. • Define and manage the roles and responsibilities of both the AGLC and the WCLC.
• Ensure the efficiency and effectiveness of gaming operations.	• Ensure Alberta Lottery Fund revenues are collected in a timely and efficient manner, and disbursed in accordance with legislation and Treasury Board directives. • Improve efficiency of revenue collection and allocation. • Enhance performance through benchmarking, performance measurement, quality control, and the use of technology.

PERFORMANCE MEASURES

	Target 2001-2002	Target 2002-2003	Target 2003-2004
• Retailer satisfaction with AGLC services related to VLTs, slot machines and ticket lotteries.	80%	82%	85%
• On-line availability of central operating system for VLTs and slot machines.	99%	99.2%	99.5%
• Percentage of gaming integrity issues resolved within established timeframes.	80%	90%	100%

SUPPORTING CORE BUSINESSES AND CORPORATE OBJECTIVES

The AGLC's mandate includes responsibility for the three distinct but complementary core businesses outlined above. Strategies and actions are undertaken to carry out these businesses and are supported by services in human resources, information systems and finance and administration. These areas support the business plan through key initiatives and strategies that affect the entire Ministry.

Human Resource Development Strategies

The AGLC cares about its employees' health, their professional and personal development and the contribution they make to the community. During the next three years, the AGLC's human resource strategy includes continuing to ensure that the knowledge, skills and abilities are in place to meet current business objectives and new challenges facing the AGLC. We are committed to continued professional development and will also continue to offer a variety of training programs for the personal development of staff.

The AGLC is committed to the government's Corporate Human Resource Development Strategy that addresses issues such as the overall aging of the public service, stiff competition for scarce resources and rapidly changing skill needs. As part of our Human Resource Plan, we will undertake initiatives to meet the requirements of the organization and, where appropriate, align these strategies with those of the government-wide initiative. This will include initiatives in the areas of learning, leadership development and recruitment.

Information Systems Strategies

The AGLC is committed to being an innovative user of current technology. Our goal is to ensure that our systems, technology infrastructure and telecommunications support the business requirements with the highest levels of stability, security and integrity. We will continue to investigate emerging technologies to ensure that our systems meet the growing and changing business requirements of the organization.

Where appropriate, the AGLC will align its information systems strategies with those articulated in the Corporate Information Management/Information Technology Strategy – especially in the areas of electronic delivery of services and supporting skills development among staff.

Finance and Administration

The AGLC is committed to efficient management of resources entrusted to it. The finance and administration functions support efficient property management, purchasing (working with Alberta Infrastructure), financial reporting, and general administrative functions. Through timely reporting and effective controls, these support areas assist other units in the overall goal of meeting operating expense budgets and revenue projections.

Government Services

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

David C. Coutts, *Minister of Government Services*
April 10, 2001

INTRODUCTION

Government Services was established with a mandate to better meet Albertans' growing needs and expectations for more flexible and convenient access to government. We are committed to service excellence for Albertans.

Our award-winning and innovative service delivery supports a prosperous Alberta economy and touches the lives of every Albertan. Examples include purchasing a vehicle, registering land, starting a small business, securing a loan, transporting goods, and registering a newly born Albertan.

SUPPORT OF GOVERNMENT OF ALBERTA PRIORITIES

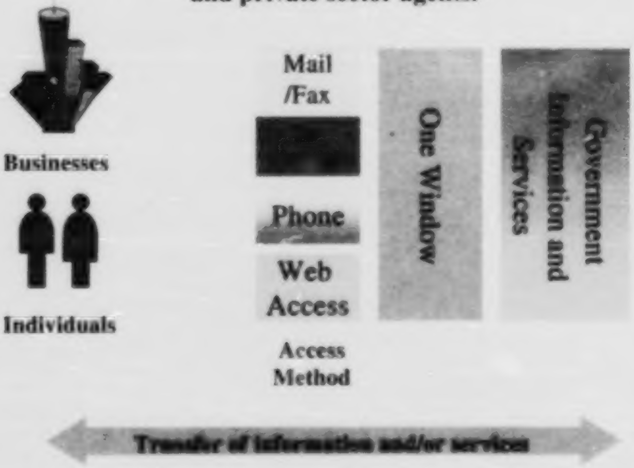
Our Ministry plays a key role in implementing the goals and priorities of the Alberta Government.

Our work towards protecting consumers and ensuring a fair Alberta marketplace contributes to the Government's goal of making Alberta a safe place to live and raise families. This is further supported through the *Freedom of Information and Protection of Privacy Act* which enhances access to information and ensures the privacy of Albertans is protected.

One of our top priorities is to lead the "One-Window Gateway to Government" initiative which supports the goal of an open and accountable government. This initiative will help address Albertans' needs for more information on government programs and services. It will be managed in conjunction with the Information and Technology Management Strategy and will fundamentally change how government interacts with the public and private sector. The concept is a secure gateway or window for easier, faster, and more direct access to information and services. In particular, it will provide Albertans with greater ability to obtain services through electronic means.

One-Window Gateway

Individuals and businesses can access government information and services through the internet, in person, over the phone, and through mail or fax. Services are provided through government and private sector agents.


Businesses
Individuals
Mail /Fax
Phone
Web Access
Access Method
One Window
Government Information and Services
Transfer of Information and/or services

Another new initiative is the Alberta Corporate Service Centre (ACSC), which provides quality human resources, administration, financial and information technology services to all Government of Alberta departments. Our Ministry is also committed to supporting and implementing the Corporate Human Resource Development and Information Technology Strategies.

MINISTRY CHALLENGES

Electronic commerce and significant growth in the Alberta economy are challenging us to respond to an increasing number of complex consumer issues.

We depend on technology to conduct business and serve Albertans. The implementation of the "Albera One-Window Initiative" as our service delivery model is key to our success in providing Albertans with convenient, timely, and secure access to government information and services. This implementation represents a significant time and resource commitment from both the government and private sectors.

As we move towards common approaches to service delivery and access, it is important that technology, information and application architectures are defined and aligned across government departments. The architecture must reflect client needs as well as business and technology drivers. It will be used to guide the development and implementation of this service delivery model. We are working with Innovation and Science in the development and setting of standards, especially those pertaining to security.

The increasing demand for our products and services has resulted in significant pressures on our computer systems that support the land titles, motor vehicles, and personal property registries. Re-investment is necessary to ensure our clients remain highly satisfied with our services and we continue to generate revenue, support law enforcement activities and ensure the security and integrity of personal information.

In order to proceed with our business plan, we need to explore creative ways to secure resources. We will actively seek and explore new and innovative partnerships with the private sector and other governments. As well, we will investigate opportunities to offset our expenditures with the revenue generated from our services.

Finally, the ACSC is a new initiative that may require several years to reach its full potential. Clearly defined and understood service level agreements, combined with the implementation of innovative processes, will be key to the Centre's success in working through the change process.

VISION

Secure access to government information and services and a fair marketplace.

CLIENTS AND STAKEHOLDERS

Our services are delivered to both internal and external clients. Our primary external clients are Alberta consumers and businesses. We also work closely with industry groups, non-profit organizations, law enforcement agencies, external service providers and other government entities to explore ways to improve service delivery. Internal clients consist of all government departments who receive support services.

MISSION

To promote consumer awareness and protection, provide quality registration and licensing services, lead the "One-Window Gateway" to government services, support the Alberta Corporate Service Centre and enhance access to information and protection of privacy for Albertans.

CORE BUSINESSES

To achieve our mission, we engage in five core businesses:

- Promote consumer and business education, regulation and enforcement in support of a fair and effective marketplace in Alberta.
- Provide licensing and registry services for consumer, business and property transactions. These services are delivered through innovative ways including private sector partnerships, government offices and electronic access.
- Lead the "One-Window Gateway to Government" initiative, which enables individuals and businesses to easily access information and conduct transactions in a secure environment.
- Co-ordinate the Government of Alberta's regulatory review process and enhance Albertans' access to information while ensuring their privacy is protected.
- Through the ACSC, deliver economical and efficient support services to all government departments.

SERVICE EXCELLENCE VALUES AND PRINCIPLES

To succeed in our mission, we are committed to service excellence. We are a team of skilled, confident, and competent staff who deliver quality services to the benefit of our clients.

We embrace the following values and principles in our planning and day-to-day operations.

- **Voice of the Clients and Stakeholders.** We actively seek input from our clients and stakeholders regarding decisions that affect their personal and business activities. This ensures services are designed and delivered to meet their needs.
- **Accessibility.** Clients can access our services when they need to and in a manner of their choice. The "One-Window Gateway" approach is used to further provide external clients with a convenient gateway to government information and services.
- **Accountability.** We understand our scope of authority to make decisions and take responsibility. We set performance standards and measure the quality of our results. Quality management systems are in place for services we deliver directly or through external service providers.
- **Use of Technology.** Our organization depends on technology to operate our business, communicate with our clients and stakeholders, and ensure security and confidentiality.
- **Partnership.** We recognize that effective and efficient service delivery can be achieved through partnership with the private sector and other government agencies. This approach helps to maximize our operational efficiency by sharing resources and reducing duplication and cost.

- **Innovation and Creativity.** Through effective change leadership, we implement new ideas and work processes. Access to information and services is improved through a focus on continuous improvement and adoption of best practices.
- **Accuracy and Professionalism.** We provide timely and accurate information and services in a secure environment. Effective communications are driven by respect, honesty, and integrity.
- **Human Resource Management.** We are respected for our knowledge and skills and our effective management of public policy.

GOALS AND KEY RESULTS FOR CORE BUSINESSES

CORE BUSINESSES	GOALS	KEY RESULTS
• Consumer and business education, regulation, and enforcement.	• Goal 1 - A fair and effective marketplace in Alberta with informed consumers and businesses and a high standard of conduct.	• A strong legislative framework is in place that supports a fair and changing marketplace. • Legislation is monitored and enforced to support consumer and business confidence. • Consumers and businesses are informed and empowered to help themselves.
• Licensing and registry services for consumer, business, and property transactions.	• Goal 2 - Efficient licensing and registration services. • motor vehicle • land titles • other land related • personal property • vital statistics • corporate registry • consumer business licenses	• Our systems support the delivery of services. • Quality services based on accessibility, security, accuracy, and reasonable fees. • Legislation is monitored to meet ever-changing needs.
• "One-Window Gateway to Government" initiative, which enables individuals and businesses to easily access information and conduct transactions in a secure environment.	• Goal 3 - A "One-Window Gateway" to enable Albertans to access government services in a manner of their choice.	• Strategic framework and resources are in place to guide and support the "One-Window Gateway" service delivery model. • Access is secure, convenient, and seamless based on a "one stop shopping" model. • Albertans can acquire information and process transactions in a manner of their choice.
• Regulatory review, information management and protection of privacy.	• Goal 4 - Government regulations are simplified and reduced.	• Simplified and current regulations and processes. • Elimination of unnecessary regulations.
	• Goal 5 - Effective access to information and protection of privacy.	• Freedom of Information and Protection of Privacy legislation is effective. • Alberta businesses are prepared for private sector privacy legislation.
• Delivery of support services through ACSC.	• Goal 6 - First class support services delivered to the Government of Alberta.	• Innovative and economical delivery of financial, administration, human resources and information technology services that are responsive to the needs of departments.

STRATEGIES

Key results are identified for each goal to indicate **what** we expect to achieve. The strategies provide information on **how** we will achieve our goals and key results.

GOAL 1: A FAIR AND EFFECTIVE MARKETPLACE IN ALBERTA WITH INFORMED CONSUMERS AND BUSINESSES AND A HIGH STANDARD OF CONDUCT.

KEY RESULTS	STRATEGIES

• A strong legislative framework is in place that supports a fair and changing marketplace.	• Implement and monitor the *Electronic Sales Contract Regulation* for internet based consumer transactions.
	• Consult with key stakeholders to review and amend the tenancies legislation. Other legislation to be reviewed includes:
	  • *Cooperatives Act*
	  • *Business Corporations Amendment Act*
	  • *Real Estate Amendment Act*
	  • *Fair Trading Amendment Act*
	  • *Cemeteries and Funeral Services Amendment Acts.*
	• Consult with the consumer, business and legal communities to identify other legislative changes to strengthen fair marketplace practices.
	• Explore opportunities to coordinate legislation and programs with other Canadian jurisdictions under the Agreement on Internal Trade.

• Legislation is monitored and enforced to support consumer and business confidence.	• Investigate marketplace practices and take appropriate enforcement action. • Monitor marketplace to anticipate and respond to changing conditions. This includes periodic inspections of regulated businesses. • Continue to improve cooperative enforcement across North America (e.g. Agreement on Internal Trade, reciprocal agreements and expanded use of the CANSHARE database). • Implement a provincial investigative strategy to focus on the most serious violations (e.g. trade practices, time shares, loan brokers, collection practices, and residential tenancies). • Consult with stakeholders to develop a framework for exemption requests from foreign controlled corporations for intensive livestock and agri-forestry operations.
• Consumers and businesses are informed and empowered to help themselves.	• Provide timely, effective, accessible, and plain language information about marketplace legislation to consumers and businesses. For example, publish a bulletin to raise awareness of consumer protection legislation, promote good business practices and highlight the Ministry's education and enforcement roles. • Partner with government, consumer groups, business associations, and the media to increase marketplace awareness and education.

GOAL 2: EFFICIENT LICENSING AND REGISTRATION SERVICES

KEY RESULTS	STRATEGIES
• Our systems support the delivery of services.	• Ensure the viability and integrity of existing systems to support ongoing business needs. • Redevelop the land titles, motor vehicle and personal property systems to accommodate increasing service volumes, improve client access and convenience, and enable "one-window" service delivery concepts. • Continue developing public and private sector partnerships to create opportunities for shared costs and resources.
• Quality services based on accessibility, security, accuracy, and reasonable fees.	• Continue effective management and delivery of the Ministry's wide range of services. There are more than 12 million services provided each year. • Implement the Ministry's comprehensive accountability framework, which includes best practices, performance standards and customer satisfaction assessments to enhance service delivery. • Use technology to enhance the security of licensing and registration processes and improve client access (e.g. new driver's license and license plate and use of Internet, 24 hour automated telephone service, fax back, and Spatial Information System). • Explore partnerships with other government bodies that provide registration, licensing and information services to improve user access and convenience. • Implement motor vehicle information access standards. • Analyze our costs of providing services and ensure our fees are appropriate.
• Legislation is monitored to meet ever-changing needs.	• Consult with key stakeholders to review and amend legislation such as the *Change of Name, Vital Statistics, and Marriage Amendment Acts.* • Consult with key stakeholders on the need to develop legislation that will permit the creation of limited liability companies.

GOAL 3: A "ONE-WINDOW GATEWAY" TO ENABLE ALBERTANS TO ACCESS GOVERNMENT SERVICES IN A MANNER OF THEIR CHOICE.

KEY RESULTS	STRATEGIES
• Strategic framework and resources are in place to guide and support the "One-Window" service delivery model.	• Continue to develop the technological and legislative framework for conducting business electronically and integrating service delivery in partnership with Innovation and Science. • Promote, communicate, and obtain government wide support and resources. • Establish a Program Management Office to plan, manage, and deliver the Alberta "One-Window Gateway" model. • Ensure consistency with the government's Information and Technology Management Strategy. • Design, pilot, and implement a public-private partnership service delivery model and supporting governance structure. • Coordinate the changes associated with the "One-Window" service delivery concept by working with existing private sector agents. • Develop a customer relationship policy that reflects the need for security, confidentiality, and informed client consent. • Assist ministries in identifying the need to realign business processes where required. • Develop and implement mechanisms to monitor the efficiencies and effectiveness of "One-Window" service delivery.
• Access is secure, convenient, and seamless based on a "one stop shopping" model. • Albertans can acquire information and process transactions in a manner of their choice (e.g. electronic access, telephone call, mail, fax, private agent or government office).	• Implement the One-Window web site, which provides electronic access for information searches/inquiries, forms, and selected financial transactions. • Integrate government call centre(s) to support access to information and transaction processing. • Expand the web-site in subsequent years to broaden the scope of transactions, integrate with municipal and federal government services, and enable more client self service. • Integrate the various service delivery channels including call centres, web access, and government and private agent offices. • Promote, monitor and evaluate the scope and usage to continue to meet needs and expectations.

GOAL 4: GOVERNMENT REGULATIONS ARE SIMPLIFIED AND REDUCED.

KEY RESULTS	STRATEGIES
• Simplified and current regulations and processes. • Elimination of unnecessary regulations.	• Through the Regulatory Review Secretariat, coordinate and monitor the periodic review of all provincial government regulations. • Review Government Service's regulations on an ongoing basis and recommend changes to reduce regulatory cost and complexity as well as eliminate duplication.

GOAL 5: EFFECTIVE ACCESS TO INFORMATION AND PROTECTION OF PRIVACY.

KEY RESULTS	STRATEGIES
• Freedom of Information and Protection of Privacy legislation is effective.	• Promote the effective application and a greater understanding of the *Freedom of Information and Protection of Privacy Act* (FOIP) by providing training, publications and other support services. • Improve cross-department co-ordination of the administration of the FOIP Act by active consultation with government ministries and other stakeholders. • Provide support to the select special committee of the Legislative Assembly when it conducts its review of FOIP. • With Innovation and Science, develop an information management framework for Government.
• Alberta businesses are prepared for private sector privacy legislation.	• Actively consult with Alberta businesses to assess the impact of new federal private sector privacy legislation.

GOAL 6: FIRST CLASS SUPPORT SERVICES DELIVERED TO THE GOVERNMENT OF ALBERTA.

KEY RESULTS	STRATEGIES
• Innovative and economical delivery of financial, administration, human resources and information technology services that are responsive to the needs of departments.	• Work closely with the Councils of Human Resource Directors, Senior Financial Officers, Chief Information Officers and Administrative Services to establish cross-government service standards. • Obtain an understanding of Ministry-specific needs and expectations. • Determine resources required to meet Ministry needs and develop related service level agreements. • Identify best practices and implement new or improved processes. • Effectively manage the change process through training, communication and a partnership approach. • Deliver, monitor and evaluate the effectiveness of service delivery.

PERFORMANCE MEASURES

GOAL	PERFORMANCE MEASURE	SOURCE	HISTORICAL	TARGET
Goal 1: A fair and effective marketplace in Alberta with informed consumers and businesses and a high standard of conduct.	• Percentage of Call Centre clients who are "satisfied overall" with the quality of service provided to them. • Percentage of clients who are "satisfied overall" with the quality of investigative services provided to them.	External research company.	No historical data is currently available	Will be set after baselines established.
	• Number of fraud attempts by telemarketing organizations. • Number of telemarketing fraud victims. • Amount of dollars lost by clients to telemarketing fraud.	Phonebusters (a national organization that monitors telemarketing fraud).	**1998** • 716 attempts • 246 victims • $1,454,185 lost **1999** • 426 attempts • 170 victims • $626,019 lost **2000** • 216 attempts • 91 victims • $333,391 lost	20% reduction in all categories.
	• Percentage of satisfied clients for educational products.	Client self-completion surveys.	No historical data is currently available	Will be set after baselines established.
Goal 2: Efficient licensing and registration services.	• Percentage of customers who are "satisfied overall" with services provided by the Registry Agents; Registries On-line Services; Land Titles Office; and Registries Call Centre.	Combination of external research company and internal data collection.	**1999** • Registry Agents 91% • Registeries On-line 85% • Land Titles 87% **2000** • Registry Agents 94% • Registries On-line 87% • Land Titles 89% • Call Centre 79%	85% for all categories.
	• Comparison of Alberta's fees to other Canadian jurisdictions on the following items: • Registration costs associated with purchasing $150,000 house with a $140,000 mortgage. • Annual cost for a driver's licence. • Annual registration fee for a Ford Taurus sedan. • Cost for a collection agency licence. • Cost for a pre-paid contractor's licence. • Cost for a direct selling licence.	Internal data collection.	Based on 1999-2000 survey: • Fee for a vehicle registration renewal is 29% below national average. • Fee for driver's licence renewal is 52% below national average. • No other historical data is currently available.	Alberta fees are below the national average.

GOAL	PERFORMANCE MEASURE	SOURCE	HISTORICAL	TARGET
Goal 3: A "One-Window Gateway" to enable Albertans to access government services in a manner of their choice.	• Number and percentage increase in information-based services offered to citizens and businesses through the "One-Window" web site. • Number and percentage increase in transactional services offered to citizens and businesses through the "One-Window Gateway". • Percentage of clients who are satisfied with the services provided by the "One-Window Gateway".	Internal project records and data collection. External research company for client satisfaction survey.	No historical data is currently available.	Targets will be set after baselines are established.
Goal 4: Government regulations are simplified and reduced.	• Percentage of government regulations in existence prior to January 1st, 1996 that are reviewed.	Status reports maintained by the Regulatory Review Secretariat.	684 of the 1,197 regulations enacted prior to January 1, 1996 have been reviewed. The breakdown is as follows: · 330 re-enacted; · 272 repealed; and · 82 exempted. 513 regulations left to be reviewed.	100% of remaining regulations are reviewed by March 2002 (i.e., 513).
	• Percentage of government regulations that are periodically reviewed as per expiry dates embedded in regulations.	Status reports maintained by the Regulatory Review Secretariat.	No new regulations (i.e., those enacted after 1996) are scheduled for review until 2001. However, two have been reviewed ahead of schedule.	100% of regulations will be reviewed on or before their expiry dates. • 2001-02: 50 • 2002-03: 67 • 2003-04: 70
	• Percentage of Ministry's regulations that are reviewed as per expiry dates.	Internal regulatory tracking system.	To date, 53 reviews have been completed as follows: • 39 re-enacted; • 13 repealed; and • 1 exempted.	100% of regulations will be reviewed on or before their expiry dates. • 2001-02: 4 • 2002-03: 7 • 2003-04: 12

[illegible]	[illegible]	SOURCE	[illegible]	[illegible]
Goal 5: Effective access to information and protection of privacy.	• Percentage of FOIP requests completed by government public bodies within 60 days or less.	Internal tracking system.	1996-97: 92% 1997-98: 90% 1998-99: 91% 1999-00: 95%	95% for all years.
	• Percentage of FOIP requests received by government public bodies handled without complaint to the Information and Privacy Commissioner.	Internal tracking system and data from the Office of the Information and Privacy Commissioner.	1996-97: 88% 1997-98: 92% 1998-99: 94% 1999-00: 94%	95% for all years.
Goal 6: First class support services delivered to the Government of Alberta.	• Percentage of customers satisfied with the quality of services provided.	To be determined.	No historical data currently available.	2001-02 - 70% 2002-03 - 85% 2003-04 - 90%
	• Percentage of customers satisfied with the level of services provided.	To be determined.	No historical data currently available.	2001-02 - 75% increasing to 90% by 2003-04.
	• Projected gross operating savings are achieved.	Internal tracking system to be developed.	No historical data currently available.	2001-02 - 10% increasing to 20% by 2003-04.
	• Percentage of performance targets in service agreements that are met.	To be determined.	No historical data currently available.	75% of performance targets achieved.
	• Percentage of the business processes reviewed and re-engineered (approximately 200).	Internal tracking system.	No historical data currently available.	2001-02 - 50% 2002-03 - 75% 2003-04 - 100%

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Fair and Effective Market Place	9,829	10,450	10,650	10,780	10,735	10,715
Licensing and Registration	36,975	33,070	34,167	34,240	34,277	34,258
One-Window Gateway	-	2,003	1,951	1,875	1,893	1,913
Government Support	1,949	3,398	3,443	3,452	3,480	3,516
Alberta Corporate Service Centre	-	2,879	3,234	130,715	116,504	116,400
MINISTRY EXPENSE	48,753	51,800	53,445	181,062	166,889	166,802

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Premiums, Fees and Licences	287,815	236,333	252,057	255,178	254,242	258,752
Other Revenue	306	1,874	2,486	129,818	115,596	115,482
MINISTRY REVENUE	288,121	238,207	254,543	384,996	369,838	374,234
EXPENSE						
Program						
Ministry Support Services	18,013	18,638	18,712	20,146	20,257	20,406
Licensing, Registry and Consumer Services	28,419	28,129	29,043	28,413	28,320	28,165
Alberta One-Window Gateway	-	727	719	509	517	525
Government Support Services	1,846	2,080	2,110	2,007	2,027	2,051
Alberta Corporate Service Centre	-	1,826	2,226	129,587	115,368	115,255
Statutory Programs and Valuation Adjustments	475	400	635	400	400	400
MINISTRY EXPENSE	48,753	51,800	53,445	181,062	166,889	166,802
Write Down of Capital Assets	(1,285)	-	-	-	-	-
NET OPERATING RESULT	238,083	186,407	201,098	203,934	202,949	207,432

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	288,121	238,207	254,543	384,996	369,838	374,234
Inter-ministry consolidation adjustments	-	(1,826)	(2,226)	(129,587)	(115,368)	(115,255)
Consolidated Revenue	288,121	236,381	252,317	255,409	254,470	258,979
Ministry Program Expense	48,753	51,800	53,445	181,062	166,889	166,802
Inter-ministry consolidation adjustments	-	(1,826)	(2,226)	(129,587)	(115,368)	(115,255)
Consolidated Program Expense	**48,753**	**49,974**	**51,219**	**51,475**	**51,521**	**51,547**
Write Down of Capital Assets	(1,285)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	238,083	186,407	201,098	203,934	202,949	207,432

Health and Wellness

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Gary G. Mar

Gary Mar, *Minister of Health and Wellness*
April 10, 2001

INTRODUCTION

The Ministry of Health and Wellness is pleased to present our Business Plan for the three year period ending March 31, 2004. This business plan is a record of changes and improvements anticipated in the three years ahead, rather than an exhaustive inventory of all activities essential to the operation of the Ministry and our public health system.

The Ministry comprises the department of Health and Wellness and the Alberta Alcohol and Drug Abuse Commission (AADAC). The Persons with Developmental Disabilities Provincial Board (PDD) and the Premier's Council on the Status of Persons with Disabilities have been transferred to the Ministry of Community Development.

The Ministry's two core businesses, four goals and associated strategies encompass the activities of the department as well as AADAC. More detailed information about the strategies and performance measures for AADAC is found in its Business Plan. The financial information for the department and AADAC is consolidated in the attached income statement.

A vision for today's provincial health system, schematically represented below, is presented in this plan. From this vision, goals and strategic directions emerge which can serve to stimulate dialogue among the public and stakeholders in search of a shared, collaboratively derived approach to establishing a sustainable, public system for the future.

HEALTH SYSTEM

STAKEHOLDERS
(includes consumers/citizens)

MINISTRY (Business Plan)
(Alberta Health and Wellness)

DEPARTMENT and AADAC

The 2001-02 Annual Report for Alberta Health and Wellness will report the progress made on the commitments contained in the Business Plan.

For reference, a detailed description of how the health system in Alberta works today is contained in a separate publication entitled *"Health Care '99 – A Guide to Health Care in Alberta" (July '99).*

VISION

The **vision** of Alberta Health and Wellness is

> ***"Citizens of a healthy Alberta achieve optimal health and wellness".***

The Government of Alberta's **vision** for the province is

> ***"A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children".***

The health and wellness of a population is determined by factors such as education, employment, income and the environment, in addition to access to quality health services. Healthy public policy across government seeks to ensure that Albertans are able and encouraged to realize their full health potential in a safe environment with adequate income, housing, nutrition and education, and to play a valued role in family, work and their community. Alberta Health and Wellness contributes to that effort by ensuring Albertans have equitable access to affordable and appropriate health and wellness services of high quality when they need them.

The achievement of this vision also requires individuals to take responsibility for health in their communities. Partners with Albertans in this collaborative effort include not only the Ministry and providers of health services, but also other Ministries, other levels of government and the private sector. An effective collaboration is reflected in the slogan: "Healthy Albertans in a healthy Alberta."

ISSUES AND CHALLENGES

Publicly funded health services are organized and delivered to meet the priority needs of Albertans. Those needs, and the ways in which they can be best met, keep changing and the system is challenged to adapt. The major forces of change are:

- Demographics
    - Alberta's population is increasing and aging
    - As a consequence, demands on the health system and on informal caregivers continue to increase
    - As the health workforce ages, skill shortages will occur in key health professions

- Technology
    - Advancements change our perceptions about what services can or should be delivered to whom and how. New technologies include new procedures, drugs, diagnostic tools and treatment equipment, and improved communication (for example, Telehealth and we//net)
    - With these advancements come new costs for financing and training

- Rising expectations in a knowledge society
    - Albertans are well educated and will increasingly want to be informed about their health and wellness choices and decisions

    - New high profile technology improves the capacity to meet needs and raises public expectations for access
    - Realigning priorities and reallocating resources are a constant challenge

- Sustainability
    - The increasing costs of drugs, technology and salaries, along with higher utilization, cause the cost of the system to rise significantly, faster than the combined effects of population growth and inflation
    - New ways of achieving the same or better health outcomes are constantly being sought so that overall costs can be kept within the capacity of public funding, while ensuring accessibility, quality and accountability

VALUES, MISSION AND CORE BUSINESSES

Like all Canadians, Albertans highly value their public health care system and the principles upon which it was founded, as described in the *Canada Health Act*:

- accessibility - medically necessary physician and hospital services are available without user fees, extra billing or other barriers to reasonable access
- comprehensiveness - all medically necessary physician and hospital services are insured
- portability - Canadians are covered for insured services received in another province
- public administration - insurance plan is operated on a non-profit basis by a public authority
- universality - all Canadians are entitled to public health insurance for medically necessary hospital and physician services

In addition to these principles, the Ministry of Health and Wellness is committed to the following:

- Alberta's health system demonstrates excellence - high standards and best practices are achieved through research, education and information
- Alberta's health system provides for equitable access by all Albertans to a comprehensive range of integrated health services
- Alberta's health system provides quality services and effective outcomes
- Alberta's health system builds on shared responsibility and decision-making among users and providers
- Alberta's health system ensures accountability at all levels for outcomes
- Alberta's health system is cost-effective and sustainable in the long term

The **mission** of the Ministry is…

> ***"to maintain and improve the health and wellness of Albertans by leading and working collaboratively with citizens and stakeholders."***

Across the health system, collaboration with Albertans and stakeholders is essential to realize intended outcomes. Feedback from the 1999 Health Summit continues to influence the Ministry's business plan. As well, Health and Wellness works with many other Ministries to address issues which influence health and health services delivery.

To achieve our mission, the Ministry engages in two **core businesses**:

1. **lead and support a system for the delivery of quality health services**

   For Albertans who are medically fragile, injured or ill, or who may need diagnosis, treatment or support, a system of quality health services is in place to meet their needs. While the responsibility for delivering those services rests with health authorities, agencies and individual practitioners, the Ministry demonstrates leadership in setting direction, policy and provincial standards which ensure quality services. Key Ministry roles are to set priorities based on health needs, determine the scope of financial, capital and human resources required, and measure and report on the performance of the system.

2. **encourage and support healthy living**

   A primary focus of the health system is to support and encourage the wellness and health of Albertans, not just to diagnose and treat the ill and injured. Health promotion and protection programs and disease and injury prevention programs address risks to health where knowledge or early intervention can make a difference. Through health authorities and provincial agencies, programs for the promotion of wellness, as well as the prevention of disease and injury, enable Albertans to make informed decisions about their health. In acknowledgement of the wide array of factors that have an impact on health, the Ministry is engaged in cross ministry initiatives to effectively address challenges to the health and wellness of the population.

The proposed expenditures for Alberta Health and Wellness for the three year period have been allocated between the two core businesses, as well as identified by program in the Statement of Operations.

LINKAGES TO GOVERNMENT CORE BUSINESSES AND GOALS

GOVERNMENT CORE BUSINESSES

People...
helping people to be self-reliant, capable and caring through:
a healthy society and accessible health care
basic support and protection for those in need,
supportive families and compassionate communities

Prosperity...
promoting prosperity for Alberta through: a highly skilled and productive workforce, new ideas, innovation and research,
an open and accountable government that lives within its means

Preservation...
preserving the Alberta tradition of: a clean environment, strong communities, pride in Alberta and strength within Canada

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Government Goals relating to health

- Albertans will be healthy.
- Our children will be well cared for, safe, successful at learning and healthy.
- Albertans will be independent.
- Albertans unable to provide for their basic needs will receive help.
- The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.

- Our workforce will be skilled and productive.
- Alberta will have effective and efficient infrastructure.
- Alberta will have a financially stable, open and accountable government.

- The high quality of Alberta's environment will be maintained.
- Alberta will work with other governments and maintain its strong position in Canada.

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Alberta Health and Wellness Goals

1. To sustain and improve the delivery of accessible, effective, quality health services to Albertans who need them.
2. To improve the health and wellness of Albertans through provincial strategies for protection, promotion and prevention.
3. To support and promote a system for health.
4. To optimize the effectiveness of the Ministry.

Guided by the recommendations of the Health Summit, the Alberta government developed a six-point plan to protect and improve the publicly funded and publicly administered health system in the province.

- Improving access to quality publicly funded health services
- Improving management of the health system
- Enhancing the quality of health services
- Increasing emphasis on promoting wellness for Albertans and preventing disease and accidents
- Fostering new ideas to improve the health system
- Protecting the publicly funded and administered health system

The strategies contained in the business plan for 2001-04 are continuing to put this plan into action.

GOALS AND STRATEGIES

GOAL 1: TO SUSTAIN AND IMPROVE THE DELIVERY OF ACCESSIBLE, EFFECTIVE, QUALITY HEALTH SERVICES TO ALBERTANS WHO NEED THEM.

The responsibility for service delivery rests primarily with health authorities and individual practitioners. Continuous improvement and innovation ensure the delivery of health services which address the needs of Albertans, meet high standards of quality, and achieve positive health and wellness results. To ensure accessibility, and the optimal utilization of health professionals, the Ministry collaborates closely with health authorities and other stakeholders. The Ministry also works with health authorities to ensure appropriate investment and management of provincial resources through review and approval of business plans and capital plans. Registration of Albertans for health care insurance and operation of the payment system for fee-for-service practitioners, aids to daily living suppliers, ambulance operators and other services are administered by the Ministry.

STRATEGIES

1.1 Improve access to certain province-wide or essential services (such as dialysis, imaging services).
1.2 Expand Telehealth in collaboration with health authorities and health providers.
1.3 Address barriers to access and actively monitor waiting lists.
1.4 Initiate key policy directions resulting from recommendations of the Long Term Care Review.
1.5 Implement a standard process for determining health care benefits.
1.6 Promote quality improvement, accessibility and sustainability through the introduction of new approaches and initiatives (such as alternative payment plans, primary care models).
1.7 Support evidence-based decision-making and innovation through research.
1.8 Collaborate with the Health Service Utilization Commission to support continuous improvement in health system performance.
1.9 Implement a provincial perinatal program.
1.10 Implement a provincial organ donation and transplant strategy.
1.11 Enhance operational systems and processes for quality assurance of provincial public health laboratory services.
1.12 Ensure allocation of funds to the regions in an equitable manner, based on sound methodology and best available information (such as refinement of population-based funding framework).
1.13 Set new strategic directions to ensure an integrated, sustainable system for health, with emphasis on the primary health care sector.
1.14 Implement the *Health Information Act*.
1.15 Review policy and guidelines for the provision of community rehabilitation and related services.
1.16 Further develop the mechanisms by which information on population needs is used in the resource allocation and policy development processes in an optimal and integrated fashion (such as economic forecasting models).
1.17 Support a province-wide system of addiction prevention, treatment and information services through the Alberta Alcohol and Drug Abuse Commission (AADAC).

continued...

KEY PERFORMANCE MEASURES

1.A Waitlist and/or waiting times for joint replacement, heart surgery; cancer therapy, MRI and long term care.
  a. hip or knee replacement
    Target: 4 months (2002)
  b. heart surgery, angioplasty
    Target: 1 to 6 weeks depending on urgency (2002)
  c. cancer radiation therapy (breast, prostate)
    Target: 4 weeks (2002)
  d. MRI
    Target: decreased wait list (2002)
  e. long term care facility admission
    Target: fewer waiting urgently in community or hospital (2003)

1.B Ratings of ease of access to health services
Percent of Albertans reporting access to service is 'easy' or 'very easy'.
Target: 75%(2002); 80%(2004)

1.C Ratings of quality of care received
Percent who report that quality of care personally received is 'excellent' or 'good'.
Target: Overall quality of care 90% (2003);
Hospital quality of care 85% (2003)

STRATEGIES

1.18 Ensure reasonable access and appropriate use of prescribed drugs by managing drug insurance programs in co-operation with stakeholders.
1.19 Align physician services with regional health service delivery mechanisms.
1.20 Implement the *Health Professions Act*, and establish the Health Professionals Advisory Board.
1.21 Implement the last two years of the Master Agreement, in co-operation with the Alberta Medical Association, including alternative payment arrangements and related initiatives (such as training, recruitment and retention).
1.22 Develop and maintain provincial and regional health workforce plans.

KEY PERFORMANCE MEASURES

1.D Percent of persons, who have received a service, who are satisfied with the way the service was provided.
(measure under development)
Target: Increasing trend (2003)

GOAL 2: TO IMPROVE THE HEALTH AND WELLNESS OF ALBERTANS THROUGH PROVINCIAL STRATEGIES FOR PROTECTION, PROMOTION AND PREVENTION.

The health and wellness of individuals is determined by a number of factors. Key factors include genetic endowment, early childhood development, education, environment and employment status, as well as personal decisions about lifestyle behaviours. The diagnosis and treatment services available through the health system are a relatively minor factor, though essential when they are needed. Protection, promotion and prevention services provide supports to the population at large in their pursuit of health. These services include major prevention strategies aimed at tuberculosis, sexually transmitted diseases and HIV, as well as injury and selected chronic diseases. With access to accurate and timely information, Albertans can make wise choices, whether in the prevention of disease or injury, or in safeguarding their own health, wellness and quality of life.

STRATEGIES

2.1 Participate with other government departments in the follow-up to the Active Living Task Force report.
2.2 Promote effective community-based services for adults and children with mental health needs.
2.3 Implement and monitor provincial population-based breast and cervical cancer screening and province-wide metabolic screening programs.
2.4 Expand initiatives to reduce the use of tobacco products by Albertans, with an emphasis on youth.
2.5 Develop health system and cross-sectoral strategies to improve the health of children and youth.
2.6 Enhance immunization strategies and implement a longer term immunization plan in the context of a national strategy.
2.7 Further develop the Influenza Pandemic Preparedness Plan for Alberta and improve influenza vaccine coverage.
2.8 Collaborate with partners in the implementation of injury and suicide prevention initiatives.
2.9 Develop and implement a provincial diabetes prevention strategy.
2.10 Conduct health surveillance, assess and report on health trends in selected health priority areas.

KEY PERFORMANCE MEASURES

2.A Self-reported health status
Percent reporting 'excellent or very good' (age 18–64); 'excellent, very good, or good' (age 65+)
Target: age 18 – 64, 70% (2003);
age 65+, 80% (2003)

2.B Mortality rates for injury and suicide
Age standardized mortality rates due to injury and suicide per 100,000 people
Target: injury, 45 (2002);
suicide, 13 (2002)

2.C Screening rate for breast cancer
Percent of women age 50 – 69 receiving mammogram every two years
Target: 75% screened (2003)

continued . . .

STRATEGIES	KEY PERFORMANCE MEASURES
2.11 Report on the health status of Albertans and provide information about key health issues and their determinants. 2.12 Implement environmental health programs, standards and regulatory controls to reduce, prevent and limit exposures to adverse conditions and contaminants.	2.D Childhood immunization coverage rates Percent of two year old children who have received the recommended immunizations **Target:** 98%* (2002) 2.E Non-smoking rate – percent of Albertans who do not smoke **Target:** 75% (2002) *national target for immunization coverage

GOAL 3: TO SUPPORT AND PROMOTE A SYSTEM FOR HEALTH.

The health system is complex. With numerous stakeholders involved in the process of organizing and delivering services to citizens, it is a continuous challenge to ensure their efforts are effectively co-ordinated. Towards this end, effective communication, accountability and information systems are essential, as is leadership in addressing emerging system-wide challenges. Ensuring the sustainability of the publicly funded system for health, and the confidentiality of Albertans' health information, are two such challenges.

STRATEGIES	KEY PERFORMANCE MEASURES
3.1 Further develop monitoring and reporting tools and processes to support accountability and continuous improvement (such as waiting lists, continuing care information). 3.2 Encourage health authorities and health providers to adopt best practices in governance and management. 3.3 Set expectations and measure performance, focusing on measures for health services (such as immunization coverage rates). 3.4 Assume a leadership role with Federal/Provincial/Territorial initiatives and collaborative inter- and intra-provincial ventures. 3.5 Engage stakeholders in a collaborative, system-oriented strategic planning process. 3.6 Collaborate with the Premier's Advisory Council on Health in identifying strategies to ensure a sustainable public system for health. 3.7 Implement a strategy to improve ongoing dialogue and collaboration among health authorities, health care providers and other stakeholders (such as a health planning forum). 3.8 Develop and implement a communications strategy for the dissemination of health system performance information. 3.9 Provide opportunities for Albertans to contribute to plans and actions to improve health and health services. 3.10 Continue to work with the federal government on developing a common understanding of the *Canada Health Act* and its policy implications for provincial initiatives. 3.11 Contribute to the development, adoption and dissemination of comprehensive data, health information and technology standards to support information exchanges provincially and nationally. 3.12 Develop and communicate expectations for information management and technology to health authorities. 3.13 Maintain a business plan for we//net's provision of electronic tools that enable information exchange among stakeholders, and support cost-effective service delivery (such as Pharmaceutical Information Network). 3.14 Co-ordinate the development and implementation of provincial information security policies and procedures. 3.15 Develop and co-ordinate the process for the election and appointment of regional health authority board members.	3.A Percent of the public who rate their knowledge of health services available as 'excellent' or 'good' **Target:** 70% (2003) 3.B Percent of stakeholders reporting easy access to information (measure under development) **Target:** Improvement (2003)

GOAL 4: TO OPTIMIZE THE EFFECTIVENESS OF THE MINISTRY.

To be as effective and efficient as possible in the service of its mission, the Ministry must keep pace with new knowledge and use its human, financial and technological resources in an optimal fashion. Internally, the Ministry must foster the culture of a learning organization. Externally, the Ministry commits to collaboration with key stakeholders and particularly other government departments in support of cross ministry initiatives.

STRATEGIES

4.1 Align Ministry resources to business plan core businesses: finance, human resources and information.
4.2 Identify and implement a comprehensive framework for policy analysis and development.
4.3 Further develop and implement a co-ordinated approach to the management of information.
4.4 Implement an inclusive planning process that provides opportunities for input from department staff and stakeholders.
4.5 Assess and improve Ministry services and performance (such as stakeholder satisfaction survey).
4.6 Support the pursuit of on-going individual, team and organizational learning through the renewal and implementation of the department Human Resources Plan.
4.7 Contribute to the government response to the Impact of Aging study, and co-champion Alberta's Seniors Policy Initiative.
4.8 Participate in collaborative initiatives with other Ministries under the Alberta Children and Youth Services Initiative.
4.9 Support implementation of the Aboriginal Policy Initiative by proposing a strategy for measuring progress and assessing performance with respect to bridging the health status gap.
4.10 Continue with department strategies in support of the government-wide Corporate Human Resource Development Strategy (such as performance management, succession planning, leadership continuity, Workplace Action Team).
4.11 Participate in the implementation of the government-wide Corporate Capital Planning Initiative and the Economic Development Strategy.
4.12 Participate in the implementation of the Corporate Information Management/Information Technology Strategy.
4.13 Work in partnership with the Alberta Corporate Service Centre in implementing the government-wide shared services initiative.

KEY PERFORMANCE MEASURES

4.A Percent of Albertans reporting their inquiries to the department were handled satisfactorily
(measure under development)
Target: Improvement (2003)

4.B Percent of staff who say they understand how their work contributes to the success of the Ministry
(measure under development)
Target: 90% (2002)

4.C Satisfaction rating among other Ministries with Alberta Health and Wellness' contribution to Cross Ministry initiatives
(measure under development)
Target: Improvement (2002)

Note: Alberta Health and Wellness collects a wide range of statistical information about the health of Albertans and the performance of our health system. From this wide array of information, the ministry selects its key performance measures. Additional information about the health of Albertans and health system performance is reported in numerous publications, including: the Ministry Annual Report, Measuring Up, Health Trends, the Report on the Health of Albertans, the Alberta Health Care Insurance Plan Statistical Supplement, and the annual report on Province-Wide Services.

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

The Alberta Alcohol and Drug Abuse Commission (AADAC) is a Crown agency of the Government of Alberta within the Ministry of Health and Wellness. Through its provincial mandate, AADAC contributes to the health and wellness of Albertans.

MISSION

"to assist Albertans in achieving freedom from the abuse of alcohol, other drugs and gambling"

CORE BUSINESSES

The *Alcohol and Drug Abuse Act* authorizes AADAC to fund and operate treatment and prevention services addressing alcohol, other drugs and gambling problems and to undertake research on these matters. Consistent with the Act, AADAC has three core businesses – **treatment, prevention and information** – that are delivered within four essential service elements:

1. **Community Outpatient Treatment and Prevention Services**
    - Prevention, education and training
    - Early intervention programs
    - Outpatient counseling and day treatment

2. **Crisis and Detoxification Services**
    - Safe withdrawal and emergency counseling
    - Gambling help line

3. **Residential Treatment Services**
    - Short and long-term services
    - Specialized programs for women only, men only, Aboriginal people, youth, workplace referrals

4. **Research, Information and Monitoring Services**
    - Accurate and current information on alcohol, other drugs and gambling
    - Performance monitoring and measurement

AADAC offices, clinics, institutions and funded agencies are located in 38 communities throughout the province.

GOALS

AADAC has three business goals that address service access, client satisfaction and service effectiveness:

1. Access: provide reasonable access to local, regional and provincial services.
2. Satisfaction: services have a positive impact with clients and communities.
3. Effectiveness: services facilitate clients success in achieving their goals.

STRATEGIES AND ACTIONS

AADAC's detailed Business Plan for 2001-04 identifies 11 major planned actions within the following four strategic directions:

1. Cross Ministry Initiatives - Participate in cross ministry initiatives that are linked to AADAC's businesses and goals.
2. Leadership on Addiction - Address substance abuse and problem gambling and the needs of Albertans through treatment, prevention (including early intervention) and information services.
3. Innovation - Pursue innovation in our services.
4. Organizational Effectiveness - Further enhance staff development and effectiveness.

This Business Plan strongly reflects the importance of collaboration and joint action. Key areas include problem prevention, development of resiliency among youth and families, and collaboration with other community agencies and service systems to provide comprehensive services for youth, especially children at risk. Exploration of service delivery models for improved co-ordination across provincial service delivery systems and other innovations to improve organizational effectiveness are also featured.

BUSINESS PERFORMANCE MEASUREMENT(1)

GOAL	TARGET	TREND (FROM 1997-98)
Access:		
Treatment	Maintain at or above 91%	Overall stable
Prevention	Maintain at or above 95%	Forthcoming – baseline (95%) established 1999-2000
Satisfaction:		
Treatment	Maintain at or above 76%(2)	Stable but declined in 1999-2000(3)
Prevention	To be established 2001-02	Forthcoming – baseline to be established 2000-01
Effectiveness:		
Treatment	Maintain at or above 94%	Overall stable
Prevention	Proxy measures to be tested 2001-02	Forthcoming – baseline to be established 2002-03

(1) A review of AADAC's core business of information is underway and measurement strategies will be developed in 2001-02.

(2) Target for satisfaction was lowered to 76% (from 82%) due to changes in reporting and recording methods.

(3) Compared to previous years, a significantly different population of clients (including "early treatment leavers") was sampled in 1999-2000. The interim reporting process also excluded three AADAC sites. These factors likely contributed to the observed reduction in the satisfaction rate. AADAC continues to refine its service and performance measurement systems.

Further information on AADAC's planned actions, performance measures and finances can be obtained from the Commission's detailed Business Plan for 2001-04.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Delivery of Quality Health Services	5,020,514	5,164,195	5,457,758	6,036,124	6,419,676	6,717,306
Encourage and Support Healthy Living	96,798	158,721	167,669	234,565	238,168	256,533
MINISTRY EXPENSE	5,117,312	5,322,916	5,625,427	6,270,689	6,657,844	6,973,839

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Governmental Transfers	58,759	127,171	127,171	84,065	87,622	97,489
Transfers from Government of Canada:						
Canada Health and Social Transfer	477,104	435,851	499,515	439,104	452,118	439,928
Canada Health and Social Transfer - Health Supplement	192,144	194,068	291,913	549,242	622,857	686,289
Other	2,441	6,529	51,455	71,526	18,061	18,145
Premiums, Fees and Licences	674,867	681,469	690,257	691,913	702,680	712,946
Other Revenue	51,900	54,452	54,870	58,679	61,219	63,827
MINISTRY REVENUE	1,457,215	1,499,540	1,715,181	1,894,529	1,944,557	2,018,626
EXPENSE						
Program						
Regional Health Authorities and Health Boards	2,839,987	3,005,731	3,142,794	3,501,092	3,736,123	3,888,453
Province-Wide Services	257,188	303,963	316,441	350,545	374,961	401,086
Physician Services	994,810	1,042,569	1,068,069	1,261,820	1,438,667	1,519,807
Blue Cross Benefit Program	261,097	281,619	310,819	342,402	376,611	414,221
Extended Health Benefits	20,114	21,055	21,055	23,752	24,940	26,187
Allied Health Services	54,863	57,935	60,935	65,553	68,819	72,249
Protection, Promotion and Prevention	109,219	133,975	129,305	162,099	157,737	172,953
Human Tissue and Blood Services	81,312	90,016	86,016	100,016	110,016	110,016
Other Programs	96,641	168,373	116,648	172,643	157,287	156,751
Alberta Alcohol and Drug Abuse Commission	34,976	35,415	37,241	47,833	50,552	51,976
Premier's Advisory Council on Health	-	250	250	250	250	250
Ministry Support Services	71,078	86,072	86,515	96,948	102,109	103,354
Systems Development	23,409	19,088	19,088	27,877	30,692	27,456
Health Care Insurance Premiums Revenue Write-Offs	29,659	28,648	50,409	28,863	29,080	29,080
Valuation Adjustments and Other Provisions	281	-	-	-	-	-
	4,874,634	5,274,709	5,445,585	6,181,693	6,657,844	6,973,839
Extraordinary items:						
One-time Financial Assistance to Health Authorities	215,676	-	8,900	-	-	-
Year 2000 Compliance	17,002	-	-	-	-	-
Supplemental Advanced Medical Equipment	10,000	48,207	112,207	-	-	-
Supplemental Capital Equipment	-	-	48,735	48,996	-	-
Nursing Development Fund	-	-	10,000	-	-	-
One-time Energy Rebate	-	-	-	40,000	-	-
MINISTRY EXPENSE	5,117,312	5,322,916	5,625,427	6,270,689	6,657,844	6,973,839
Gain (Loss) on Disposal of Capital Assets	(192)	-	-	-	-	-
Write Down of Capital Assets	(919)	-	-	-	-	-
NET OPERATING RESULT	(3,661,208)	(3,823,376)	(3,910,246)	(4,376,160)	(4,713,287)	(4,955,213)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	1,457,215	1,499,540	1,715,181	1,894,529	1,944,557	2,018,626
Inter-ministry consolidation adjustments	(58,759)	(127,171)	(127,171)	(84,065)	(87,622)	(97,489)
Consolidated Revenue	1,398,456	1,372,369	1,588,010	1,810,464	1,856,935	1,921,137
Ministry Program Expense	5,117,312	5,322,916	5,625,427	6,270,689	6,657,844	6,973,839
Inter-ministry consolidation adjustments	(200)	(200)	(200)	(200)	(200)	(200)
Consolidated Program Expense	**5,117,112**	**5,322,716**	**5,625,227**	**6,270,489**	**6,657,644**	**6,973,639**
Gain (Loss) on Disposal of Capital Assets	(192)	-	-	-	-	-
Write Down of Capital Assets	(919)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(3,719,767)	(3,950,347)	(4,037,217)	(4,460,025)	(4,800,709)	(5,052,502)

Human Resources and Employment

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Clint Dunford, *Minister of Human Resources and Employment*
April 10, 2001

INTRODUCTION

The Ministry of Alberta Human Resources and Employment consists of four major entities: the Department of Alberta Human Resources and Employment, the Personnel Administration Office, the Alberta Labour Relations Board and the Workers' Compensation Board. Since the Workers' Compensation Board is an independent employer-funded organization, their five-year Strategic Plan is not included with the Ministry's Business Plan. The business plans of the other three entities follow.

DEPARTMENT OF ALBERTA HUMAN RESOURCES AND EMPLOYMENT

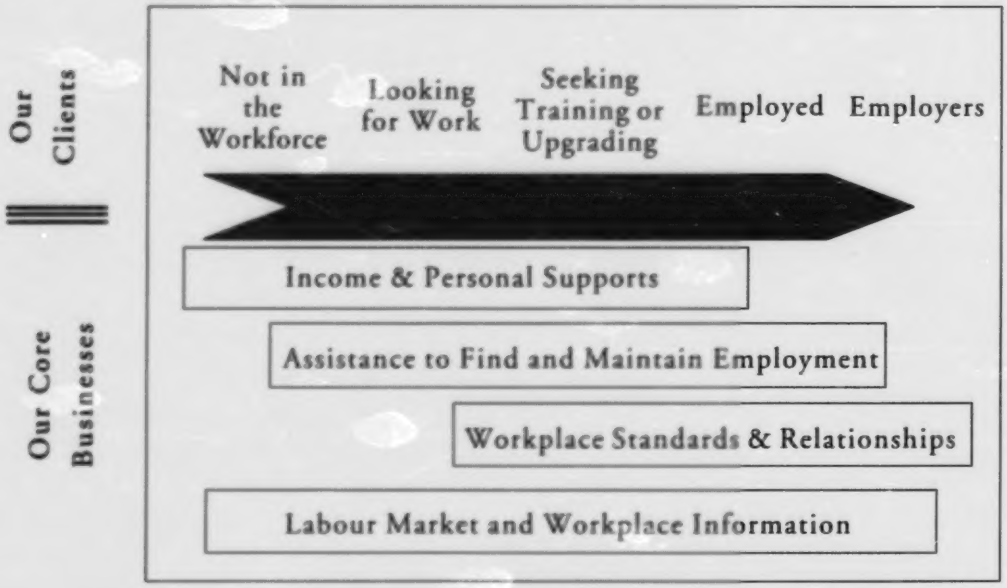
VISION

Albertans support themselves and their families

MISSION STATEMENT

To provide a continuum of services that assists people in need, helps individuals succeed in the workforce and fosters safe and healthy workplaces

THE DEPARTMENT'S CONTINUUM OF SERVICES


Our Clients
Not in the Workforce
Looking for Work
Seeking Training or Upgrading
Employed
Employers
Our Core Businesses
Income & Personal Supports
Assistance to Find and Maintain Employment
Workplace Standards & Relationships
Labour Market and Workplace Information

CHALLENGES

Alberta's low-income individuals and families are finding it harder to meet their basic needs due to rising costs. This in turn has created increasing pressure on Government to consider raising the social assistance benefits despite the existence of other financial support programs for low-income families such as the Child Health Benefit Program.

Globalization and rapid change are transforming Alberta's economy. Alberta is experiencing a skill shortage and the gap between demand and supply of labour is going to widen compounded by an aging workforce.

Alberta's buoyant economy coupled with increased economic activity has resulted in an increase in incident rates in workplaces as more young and inexperienced workers come into the workplace. There is increased need to promote workplace safety and enforcement of legislation.

The labour relations climate is anticipated to be uncertain as important labour agreements are up for negotiation in the coming months with high potential for disruptive strikes or unfavourable work environments. The challenge for Alberta Human Resources and Employment will be to successfully mediate solutions.

CORE BUSINESSES	GOALS
1. Providing the information Albertans need about careers, workplaces, the labour market and department services	1. Albertans will have quality workplace and labour market information
2. Assisting Albertans to prepare for, obtain and maintain employment	2. Alberta's workforce will be skilled, productive and self-reliant
3. Promoting positive workplace environments and the establishment of professional and workplace standards	3. Alberta will have a fair, safe and healthy work environment
4. Providing individual and income supports	4. Albertans in need of assistance will receive support
Operational Goal	5. Albertans will receive effective and efficient programs and services

GOAL 1: ALBERTANS WILL HAVE QUALITY WORKPLACE AND LABOUR MARKET INFORMATION.

Supports the People and Prosperity Core Businesses of the Government of Alberta, and cross ministry initiatives on Economic Development Strategy and Children and Youth Services Initiative.

RESULTS	STRATEGIES AND KEY INITIATIVES
1.1 Albertans have access to and are satisfied with the quality of information on workplace and labour market needs and opportunities	***Take a leadership role in the collection, analysis, development and distribution of labour market trends, forecasting and information by:*** • Partnering with business, industry, communities and other jurisdictions to share information about the knowledge and skills that will be required in the workplace • In partnership with Alberta Learning, expand the Alberta Learning Information Service (ALIS), a website providing information and services for all Albertans seeking learning, career or employment opportunities
1.2 Workers and employers have access to, and are satisfied with, information concerning workplace rights and responsibilities	***Develop additional ways of getting information on workplace rights and responsibilities to workers and employers by:*** • Integrating workplace health and safety and employment standards related items into career development workplace and labour market information and services • Including information on workplace rights, responsibilities and safe work practices in presentations to youth in schools or other settings • Enhancing the scope and methods of communicating the importance of workplace safety, especially for inexperienced workers • Addressing English as a Second Language issues with workplace publications, wherever feasible

PERFORMANCE MEASURES

Percentage of clients satisfied with workplace and labour market information

	1999-2000 Actual	2000-2001 Target	2001-2002 Target	2002-2003 Target	2003-2004 Target
Labour Market Information Centre services	86%	85% or higher	85% or higher	85% or higher	85% or higher
Customer Satisfaction with information materials and tools*	96%	—	85% or higher	—	85% or higher
Career Information Hotline*	95%	—	85% or higher	—	85% or higher
Career Development Workshops	88%	85% or higher	85% or higher	85% or higher	85% or higher

* Satisfaction surveys for career information hotline and customer satisfaction with information materials and tools are conducted biennially.

Note: Client satisfaction results may not be fully comparable due to methodological differences.

Supplemental Information

Use of Career and Labour Market Information Services

	1999-2000	2000-2001	2001-2002
Career Counselling Sessions	40,720	40,800	40,800
Group Workshop Participants	37,561	38,000	38,500
Labour Market Information Centre (LMIC) Visits	735,096	736,000	736,000
Career Information Hotline Requests	37,056	35,000*	35,000
ALIS Website User Sessions	394,348	800,000	1,000,000
Number of Career-Related Products Distributed	677,000	715,000	715,000
Canada-Alberta Job Order Bank (Job Orders)	43,000	52,000	52,000
Employment Standards Hotline	180,000	180,000	185,000

* Number of requests forecast to decrease due to increase in usage of ALIS website

GOAL 2: ALBERTA'S WORKFORCE WILL BE SKILLED, PRODUCTIVE AND SELF-RELIANT.

Supports the People, Prosperity and Preservation Core Businesses of the Government of Alberta, and the cross ministry initiatives on Economic Development Strategy, Children and Youth Services Initiative and the Aboriginal Policy Initiative.

RESULTS	STRATEGIES AND KEY INITIATIVES
2.1 Albertans have the skills to obtain and maintain employment	***Expand opportunities for career planning, skills upgrading and employability skills acquisition by:*** • Leading changes to remove inter-provincial barriers to enhance mobility of workers as committed to in the *Labour Mobility Chapter of the Agreement on Internal Trade* • Improving the effectiveness of the Skills Development Program (SDP) and continuing with the implementation of the SDP-MOU • Continuing to support efforts to expand opportunities for Albertans to enter or re-enter the workplace and support continuous learning through the Economic Development Strategy
2.2 Alberta has a human resource development strategy that contributes to labour force development and the economic goals of the province	***Lead labour force development on behalf of the Alberta Government by working with other departments to:*** • Achieve the goals set out in the People and Prosperity Initiative • Identify labour force demand, skill shortages and economic development initiatives • Develop a multi-year plan to address the demand for scarce skills • Develop alliances at the local, provincial, national and international level that will contribute to human resource development • Support workforce effectiveness (work-life balance, continuous learning, workplace values)
2.3 All Albertans have the opportunity to participate in the workforce	***Reduce or remove barriers to employment and skills upgrading by:*** • Continuing to work under the Interdepartmental Policy Framework for Employment Services for Persons with Disabilities (ESPD) in conjunction with Alberta Health and Wellness, the Alberta Alcohol and Drug Abuse Commission, Alberta Learning and the Premier's Council on the Status of Persons with Disabilities on providing employment supports for Albertans with disabilities, incorporating the requirements outlined in the *Canada/Alberta Employability Assistance for Persons with Disabilities (EAPD) Cost Sharing Agreement* • Developing a plan to address the Minister's Employability Council recommendations to enhance employment opportunities for persons with disabilities • Increasing funding for Disability Related Employment Supports • Continuing the implementation of the Alberta Youth Employment Strategy to assist young people to make a successful transition to employment • Supporting the ongoing implementation of the National Child Benefit by creating or enhancing supports for low-income families • Developing departmental strategies, consistent with the cross ministry Aboriginal Policy Initiative (API), to achieve coordinated services to First Nations, Metis and other Aboriginal people • Rationalizing and adjusting existing federal transfer arrangements and program parameters under the Labour Market Development Agreement (LMDA) and the EAPD to meet Alberta's priorities

PERFORMANCE MEASURES

Percentage of participants employed post-intervention

1999-2000 Actual	2000-2001 Target	2001-2002 Target	2002-2003 Target	2003-2004 Target
72%	70% or higher	70% or higher	70% or higher	70% or higher

continued...

GOAL 2: ALBERTA'S WORKFORCE WILL BE SKILLED, PRODUCTIVE AND SELF-RELIANT. *(CONTINUED)*

PERFORMANCE MEASURES

Supplemental Information

Number of Learners Participating in Employment/Training Programs and Job Placements

	1999-2000 Actual	2000-2001 Forecast	2001-2002 Forecast
Total number of learners*	42,166	42,200	42,400

* Includes funded and unfunded learners

Number of Learners by Special Group Type (Note: individuals may be counted in more than one group)

	1999-2000 Actual		2000-2001 Forecast	
	Number of Learners	Percentage Employed	Number of Learners	Percentage Employed
Youth	20,780	82%	20,000	70% (target)
Aboriginal *	5,419 (p)	Not available	5,450 (p)	60% (p)
Persons with Disabilities*	1,717 (p)	69%	1,800 (p)	69%

* All numbers for Aboriginal learners and learners with disabilities are preliminary and subject to refinement, and refer to only those clients in employment/training programs and job placement.

GOAL 3: ALBERTA WILL HAVE A FAIR, SAFE AND HEALTHY WORK ENVIRONMENT.

Supports the People and Prosperity Core Businesses of the Government of Alberta, and the cross ministry initiative on Economic Development Strategy.

RESULTS	STRATEGIES AND KEY INITIATIVES
3.1 The health and safety of Alberta workers is protected	*Continue to take appropriate actions to reduce work-related illnesses and injuries by:* • Promoting the development of effective worksite health and safety systems through the "Partnership in Health and Safety" Program • Completing the comprehensive review of regulations under the *Occupational Health and Safety Act* • Targeting inspections for poor health and safety performers and uncontrolled hazards • Continuing development and implementation of a provincial call centre for workplace health and safety incident and complaint reporting, and an interactive web site dedicated to workplace health and safety information • Working with Alberta Justice to ensure specialized Crown prosecutors are available for prosecutions under the Occupational Health and Safety Act • Ensuring the number of Workplace Health and Safety officers keeps pace with the growth of the Alberta economy • Coordinating interdepartmental responses to the recommendations arising from the two reviews of the Workers' Compensation Board
3.2 Alberta has effective labour relations policies and legislation that contribute to successful resolution of workplace issues	*Continue to promote alternative dispute resolution approaches for workplace issues by:* • Enhancing the productivity and competitiveness of Alberta workplaces by helping organizations achieve better communications, problem solving and labour-management cooperation • Providing strategic labour relations policy advice and issues management to help the Department and its clients respond effectively to emerging workplace issues • Promoting positive labour-management relations by providing mediation services, including appointment of mediators and arbitration boards, and recommending to the Minister as to appointments to dispute resolution boards and tribunals under the Labour Relations Code and *Police Officers Collective Bargaining Act*

continued...

GOAL 3: ALBERTA WILL HAVE A FAIR, SAFE AND HEALTHY WORK ENVIRONMENT. *(CONTINUED)*

RESULTS	STRATEGIES AND KEY INITIATIVES
3.3 Alberta's employees and employers benefit from fair and balanced employment standards and practices	***Promote a level playing field for employers and employees by:*** • Targeting industries with poor compliance histories and implementing strategies to improve compliance • Developing and implementing strategies to increase awareness of employment standards legislation • Exploring partnership opportunities with industry associations
3.4 Alberta has effective professional standards and practices	***Protect the public interest by:*** • Consulting with professional and occupational associations to ensure that new governing legislation provides for effective professional standards and practices • Ensuring the free movement and equitable access of individuals to employment opportunities

PERFORMANCE MEASURES

3.1 Inter-Provincial Ranking of Alberta's person-days lost due to workplace injury and illness

1998 (p) Actual	1999 Estimate	2000 Target	2001 Target	2002 Target	2003 Target
Lowest in Canada	Among the three lowest in Canada	Maintain rank among the three lowest in Canada	Maintain rank among the three lowest in Canada	Maintain rank among the three lowest in Canada	Maintain rank among the three lowest in Canada

3.2 Lost Time Claim Rate: number of lost time claims per 100 person-years worked

1998 Actual	1999 Actual	2000 Target	2001 Target	2002 Target
3.3	3.2	3.5 or lower	3.2 or lower	3.1 or lower

3.3 Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)

1999-2000 Actual	2000-2001 Target	2001-2002 Target	2002-2003 Target	2003-2004 Target
98.8%	99% or higher	99% or higher	99% or higher	99% or higher

3.4 Number of employment standards complaints registered for investigation as a percentage of Alberta's eligible workforce

1999 Actual	2000 Target	2001 Target	2002 Target	2003 Target
0.53%	0.60% or lower	0.60% or lower	0.60% or lower	0.60% or lower

GOAL 4: ALBERTANS IN NEED OF ASSISTANCE WILL RECEIVE SUPPORT.

Supports the People Core Businesses of the Government of Alberta and the cross ministry initiative on Children and Youth Services Initiative.

RESULTS	STRATEGIES AND KEY INITIATIVES
4.1 Income supports and other financial benefits are targeted to those most in need	***Continue to improve income support programs to ensure low-income Albertans have access to the supports they require by:*** • Implementing strategies to increase awareness of benefits available to low-income families through the Alberta Child Health Benefit program • Continuing to assess programming for low-income Albertans to ensure they can meet their basic needs • Continuing work to ensure non-custodial parents assume their appropriate financial responsibility • Reviewing the Widows' Pension Program • Reviewing the SFI income exemption policies and related program rules to ensure that the program's goals to encourage clients to work are being supported and furthered • Supporting local and provincial initiatives to address homelessness
4.2 Alberta's dependent adults receive the best supports and safeguards	***Ensure the dependent adult receives the best possible representation for their needs by:*** • Encouraging private guardians, as the best alternative for the dependent adult, to assume responsibility whenever possible • Encouraging Albertans to plan for their future through the use of the Personal Directives

PERFORMANCE MEASURES

4.1 Relationship between clients receiving financial assistance and the Market Basket Measure (MBM) low income threshold (Under Development)

4.2 Percentage of dependent adults with private guardians

1999-2000 Actual	2000-2001 Target	2001-2002 Target	2002-2003 Target	2003-2004 Target
80%	80% or higher	80% or higher	80% or higher	80% or higher

Supplemental Information

Caseloads

		1999-2000 Actual	2000-2001 Forecast	2001-2002 Forecast	2002-2003 Forecast	2003-2004 Forecast
Supports for Independence (SFI)		31,112	28,575	27,900	27,100	26,570
Assured Income for the Severely Handicapped (AISH)		24,760	26,740	28,690	29,860	30,490
Child Health Benefit (CHB)		54,921	62,000	71,000	80,000	80,000
Dependent Adults	Public Guardian	1,885	1,922	2,000	2,040	2,080
	Private Guardian	7,445	7,724	7,900	8,080	8,260

GOAL 5: ALBERTANS WILL RECEIVE EFFECTIVE AND EFFICIENT PROGRAMS AND SERVICES.

Supports the People, Prosperity and Preservation Core Businesses of the Government of Alberta and cross ministry initiatives on Economic Development Strategy, Children and Youth Services Initiative, Aboriginal Policy Initiative and Seniors Policy Initiative.

RESULTS	STRATEGIES AND KEY INITIATIVES
5.1 Clients are satisfied with the overall quality of department programs and services	***Continually improve the effectiveness and efficiency of department processes and systems by:*** • Developing and implementing a plan to regularly evaluate HRE programs and services • Reviewing and improving appeals processes for department clients • Developing and implementing the strategic delivery model to provide multi-channel access to programs and services through the Department's Business Transformation initiative • Developing a Human Resource plan and staff development strategies that promote a learning organization culture • Continuing to integrate IT services, information and facilities to support department realignment • Enhancing financial management in the department by: implementing consistent contract management policies and procedures; reviewing and updating the Internal Financial Control Strategy; and commencing implementation of a comprehensive business recovery process.
5.2 Stakeholders and partners are satisfied with the contribution of the Department in key cross ministry initiatives	***Support, contribute and add value to relevant initiatives by:*** • Providing opportunities and vehicles for the Department's external stakeholders to provide input into initiatives • Continuing to actively support the four Government Priority Policy Initiatives: Aboriginal Policy Initiative, Economic Development Strategy, Seniors Policy Initiative and Children and Youth Services Initiative • Continuing to support other cross ministry initiatives including the four Key Administrative Initiatives: Alberta Corporate Service Centre Initiative, Corporate Human Resource Development Strategy, Corporate Information Management/Information Technology Strategy and Alberta One-Window Initiative

PERFORMANCE MEASURES

5.1 Satisfaction of individuals who have used key departmental programs

	1999-2000 Actual	2000-2001 Target	2001-2002 Target	2002-2003 Target	2003-2004 Target
Employment and Training programs and Job Placement	92%	85% or higher	85% or higher	85% or higher	85% or higher
Career and Employment Assistance Services	No historical data	85% or higher	85% or higher	85% or higher	85% or higher
Supports for Independence (SFI)	No historical data	85% or higher	85% or higher	85% or higher	85% or higher
Alberta Child Health Benefit recipient families	Measure under development				

5.2 Percentage of service providers and private guardians/families satisfied with the supports and services provided by the Office of the Public Guardian

1999-2000 Actual	2000-2001 Target	2001-2002 Target	2002-2003 Target	2003-2004 Target
No historical data	85%	—	85%	—

Note: this is a biennial survey.

Supplemental Information

Partners' perception of the Department's contribution on key initiatives

1999-2000 Actual	2000-2001 Target	2001-2002 Target	2002-2003 Target	2003-2004 Target
82%	85%	85%	85%	85%

PERSONNEL ADMINISTRATION OFFICE
2001-04 BUSINESS PLAN

GOVERNMENT'S PREFERRED FUTURE OF THE ALBERTA PUBLIC SERVICE

The Alberta Public Service is respected for its attitudes, knowledge and skills, its effective management of public policy and its dedication to achieving quality, affordable services for Albertans.

VISION

PAO — Building a strong public service.

MISSION

Our mission is to provide corporate human resource strategies, policy frameworks and strategic support services that enable departments to fulfil their business plans and achieve government's preferred future of the Alberta public service. Our mission supports the government's core businesses of people, prosperity and preservation.

CORE BUSINESS AND GOALS

CORE BUSINESS	GOALS
PAO's core business is to set strategic direction for human resource management in the Alberta Public Service through the provision of corporate human resource strategies, policy frameworks and strategic support services.	**Strategic Leadership** Provide strategic leadership to departments in addressing cross-department human resource needs and issues and develop and implement the corporate human resource plan.
	Alignment/Commitment Provide human resource strategies, policy frameworks and consulting services that assist departments in compensating, rewarding and recognizing employees.
	Well-being Provide human resource strategies, policy frameworks and consulting services that assist departments in providing a safe work environment and supporting the well-being of employees.
	Competence/Versatility Provide human resource strategies, policy frameworks and consulting services that assist departments in attracting, selecting and developing employees to meet current and future needs.

GOAL: STRATEGIC LEADERSHIP

Provide strategic leadership to departments in addressing cross-department human needs and issues, and developing and implementing the corporate human resource plan.

OBJECTIVE	BUSINESS PLAN STRATEGIES
Greater integration and effectiveness in addressing priority human resource issues	1. *Work with departments to develop the annual corporate human resource plan including the corporate human resource development strategy. Ensure its implementation through the development of complementary departmental plans and re-aligned human resources delivery. 2. *Coordinate the use of the Corporate Human Resource Research and Development Fund to support priority human resource needs. 3. *Provide support to cross ministry initiatives.
Increased ability for departments to meet their human resource needs	4. *Identify human resource approaches that ensure the public service can respond effectively to anticipated trends and issues gathered through environmental scanning. 5. Facilitate the adoption of human resource best practices across the public service. 6. Support the use of technology to enhance human resource decision making and effectiveness. 7. Provide expert human resource consulting.
All directives and regulations are current and relevant	8. Maintain an ongoing review of human resource directives and regulations in keeping with the intent of regulatory reform.

GOAL: ALIGNMENT/COMMITMENT

Provide human resource strategies, policy frameworks and consulting services that assist departments in compensating, rewarding and recognizing employees for their contributions to business plan goals.

OBJECTIVE	BUSINESS PLAN STRATEGIES
Establish a closer link between performance and rewards/recognition	9. *Assist departments in linking employee performance to achievement of business plan goals through effective use of the performance management system. 10. *Review strategies to assist departments in compensating and rewarding employees. 11. Coordinate the Premier's Award of Excellence program.
Review and respond to total compensation issues to ensure they meet current realities and needs	12. *Review and update the non-management classification plan to address identified needs, using a phased-in approach. 13. Conduct collective bargaining.

GOAL: WELL-BEING

Provide human resource strategies, policy frameworks and consulting services that assist departments in providing a safe work environment and supporting the well- being of employees.

OBJECTIVE	BUSINESS PLAN STRATEGIES
Assist employees in managing their own well-being	14. Deliver an employee assistance program for public service employees. 15. Promote wellness in the Alberta Public Service.
Reduce accident/injury and illness/LTD rates	16. Work with high and medium risk departments to reduce accident/injury rates through the Partnerships in Safety program. 17. Continue to develop and enhance disability management initiatives.

* Initiatives that support the Corporate Human Resource Plan.

GOAL: COMPETENCE/VERSATILITY

Provide human resource strategies, policy frameworks and consulting services that assist departments in attracting, selecting, retaining, and developing employees to meet current and future needs.

OBJECTIVE	BUSINESS PLAN STRATEGIES
Ensure departments are positioned to respond to emerging human resource needs	18. *Respond to demographic pressures, growing competition for scarce human resources and rapidly changing skills needs through targeted strategies that foster continuous learning, develop leaders for tomorrow, and attract and retain new graduates and skilled employees. 19. Provide a corporate search program targeted at attracting and recruiting to executive and senior official levels; assist departments in facilitating internal and external executive mobility; and provide search consulting for senior positions with significant agencies, boards and commissions.

* Initiatives that support the Corporate Human Resource Plan.

PERFORMANCE MEASURES

Client Satisfaction

Strategic Leadership

Performance Indicators (source)	1997-1998 Baseline	1999-2000 Actual	2000-2001 Target	2001 thru 2004 Target
Client satisfaction with human resource strategies and policy frameworks (Client satisfaction survey)	58%	81% (1998-99 survey)	Maintain at 80% or higher	Maintain at 80% or higher
Client satisfaction with working relationships with PAO (Client satisfaction survey)	89%	96% (1998-99 survey)	Maintain at 90% or higher	Maintain at 90% or higher

Key Corporate Human Resource Plan Measures

Alignment/Commitment

Performance Indicators (source)	1997-1998 Baseline	1999-2000 Actual	2000-2001 Target	2001 thru 2004 Target
% of employees who understand how their work contributes to their department's business plan (Core Measures Survey)	77%	81%	80%	80%

Well-Being

Performance Indicators (source)	1997-1998 Baseline	1999-2000 Actual	2000-2001 Target	2001 thru 2004 Target
Promote employee safety and well-being (PAO)				
• Time lost due to accidents/injuries	n/a - measure revised	30.0 days per 10,000 person days worked**	Maintain or reduce	Maintain or reduce
• Time lost due to general illness	avg. 4.5 days per employee	avg. 3.7 days per employee	Maintain or reduce	Maintain or reduce
• Long Term Disability (LTD) incidence rate	15.8 new claims per 1,000 employees	14.2 new claims per 1,000 employees	Maintain or reduce	Maintain or reduce

Competence/Versatility

Performance Indicators (source)	1997-1998 Baseline	1999-2000 Actual	2000-2001 Target	2001 thru 2004 Target
% of managers who report their employees have the skills to meet current and future needs (Core Measures Survey)	n/a	93% (current) 81% (future)	90% (current) 80% (future) or higher	90% (current) 80% (future) or higher

**Note: this 1999-2000 figure is preliminary and subject to review

ALBERTA LABOUR RELATIONS BOARD
2001-04 BUSINESS PLAN

The Labour Relations Board oversees four labour relations statutes:

- Labour Relations Code
- Public Service Employee Relations Act
- Police Officers Collective Bargaining Act
- Management Exclusion Act

VISION STATEMENT

A fair and equitable labour relations climate in Alberta.

MISSION STATEMENT

The mission of the Alberta Labour Relations Board is to administer, interpret and enforce Alberta's collective bargaining laws in an impartial, knowledgeable, efficient, timely and consistent way. It will do this by:

1. educating the labour relations community and the public of their statutory rights and obligations
2. developing policies and processes that will assist the parties to prevent disputes or resolve their differences over these rights and obligations without resort to litigation
3. providing timely, appropriate, impartial resolution of those differences

CORE ACTIVITIES

- the investigation, processing, and determination of applications made to the Board by parties in Alberta's collective bargaining regime,
- the formal adjudication of issues arising out of the application/complaint process,
- the informal mediation of differences in attempts to limit the need for formal adjudication and help build mutually beneficial relationships between parties,
- the education of Alberta's labour community in the interpretation of Alberta's labour relations legislation and the Board's rules, policies and procedures, and
- the development of formal and informal consultative processes with the province's labour relations community to ensure that Board policies and procedures are sensitive to the current realities in the community.

GOALS AND STRATEGIES

GOAL 1 TO PROVIDE TIMELY, EFFECTIVE AND EFFICIENT SERVICES TO THE ALBERTA LABOUR RELATIONS COMMUNITY.

STRATEGY	PERFORMANCE MEASURE
• Investigate applications in a timely and accurate manner to ensure early resolution of differences.	• The percentage of applications that are completed within the following guidelines: certification applications to be completed within 30 calendar days; revocation applications to be completed within 30 calendar days; modification of bargaining relationships applications to be completed within 200 calendar days; and proposal vote applications to be completed within 15 calendar days. These percentages will provide an indication of the timeliness of the Board's services.

INDICATORS/TARGETS

The percentage of applications that are completed within the above guidelines.

Application Type	2001-2002	2002-03	2003-04
Certification	75%	77%	79%
Revocations	70%	72%	75%
Bargaining Relationship Modifications	70%	72%	74%
Proposal Votes	75%	77%	80%

GOAL 2 THE BOARD PROMOTES THE USE OF ALTERNATIVE DISPUTE RESOLUTION METHODS TO RESOLVE ISSUES BEFORE REACHING FORMAL HEARINGS.

STRATEGY	PERFORMANCE MEASURE
• Ensure that Board officials develop and maintain the proper facilitation skills required and that these techniques and skills are applied to all appropriate applications.	• Percentage of applications, with Board involvement, settled before reaching a formal hearing. This provides an indication of the successful use of Alternative Dispute Resolution methods.

INDICATORS/TARGETS

	2001-2002	2002-03	2003-04
Percentage of applications settled through Board official involvement	49%	51%	53%

Note: Certifications are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements.

GOAL 3 DECISIONS MUST BE CLEAR AND TIMELY SO THE PARTIES CAN QUICKLY IMPLEMENT THE RESOLUTION.

STRATEGY	PERFORMANCE MEASURE
• Minimize the length of time that parties await decisions.	• Percentage of decisions rendered within 90 calendar days of completion of hearing.

INDICATORS/TARGETS

	2001-2002	2002-03	2003-04
Percentage of decisions rendered within 90 calendar days of completion of the final hearing	86%	87%	88%

WORKERS' COMPENSATION BOARD

The Government of Alberta is responsible for the Workers' Compensation Act and regulations under the Act. This Act establishes the Workers' Compensation Board (WCB). The WCB reports to the Government through the Minister of Human Resources and Employment, however the legislation gives the WCB exclusive and final jurisdiction to make all decisions on questions arising under the Act or regulations.

In Alberta, the WCB is an independent organization and a not-for-profit mutual insurance corporation that manages the workers' compensation insurance business. The completely employer-funded organization is overseen by a board of directors representative of the interests of labour, employers and the general public. WCB - Alberta provides cost-effective disability and liability insurance for more than 94,000 employers and 1.2 million workers in Alberta.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Careers and Workplace Information	25,515	26,407	27,691	29,247	29,935	29,963
Employment Services	297,796	300,642	283,946	287,583	296,991	297,413
Workplace Relationships	12,620	13,544	14,449	15,264	16,135	16,514
Income Support to Individuals and Families	630,748	681,005	672,105	712,244	710,941	713,545
Human Resource Management	7,482	7,773	7,773	7,943	8,059	8,202
Labour Relations Adjudication	1,014	900	935	942	985	1,005
Labour Mediation	1,239	1,103	1,141	1,236	1,291	1,312
MINISTRY EXPENSE	976,414	1,031,374	1,008,040	1,054,459	1,064,337	1,067,954

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Transfers from Government of Canada	408,489	398,279	433,696	399,116	406,625	400,061
Investment Income	-	1	-	-	-	-
Premiums, Fees and Licences	220	270	270	270	270	270
Other	12,913	13,630	12,540	12,540	12,800	12,800
MINISTRY REVENUE	421,622	412,180	446,506	411,926	419,695	413,131
EXPENSE						
Program						
Supports for Independence	276,820	297,468	273,926	283,811	261,135	256,188
Assured Income for Severely Handicapped	267,869	295,789	303,452	355,266	349,696	357,117
Widows Pension	8,745	9,300	8,500	8,500	8,500	8,500
Child Health Benefits	11,104	14,666	15,666	16,966	17,966	17,966
Shelters for Homeless Adults	9,350	10,023	11,877	12,870	13,083	13,311
Income Support - Program Support/Delivery	69,274	70,306	72,633	74,875	77,561	76,739
Labour Market Development Agreement	94,673	98,946	78,782	83,620	81,957	82,086
Skills Development	102,657	103,000	104,093	108,000	108,000	108,000
Employment Initiatives	21,306	18,525	18,271	19,834	19,834	19,908
Employment Preparations	24,035	26,534	24,472	26,334	26,334	26,369
Youth Connections	5,214	6,200	6,274	7,400	7,400	7,400
Support for Adult Learners - Program Delivery	26,685	25,586	28,852	28,968	29,434	29,957
Workplace Information	2,650	3,484	3,336	4,134	4,174	4,258
Workplace Health and Safety	6,850	7,206	7,884	8,799	8,874	9,108
Employment Standards	4,127	4,430	4,600	4,924	5,003	5,105
Labour Relations Board	2,253	2,003	2,077	2,178	2,277	2,317
Personnel Administration Office	7,483	7,773	7,773	7,944	8,059	8,203
Support to Dependent Adults	4,876	5,146	5,500	5,568	5,622	5,695
Ministry Support Services	29,260	24,318	25,835	29,188	29,348	29,647
Valuation Adjustments and Other Provisions	1,183	671	4,237	(34,720)	80	80
MINISTRY EXPENSE	976,414	1,031,374	1,008,040	1,054,459	1,064,337	1,067,954
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(554,792)	(619,194)	(561,534)	(642,533)	(644,642)	(654,823)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	421,622	412,180	446,506	411,926	419,695	413,131
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	421,622	412,180	446,506	411,926	419,695	413,131
Ministry Program Expense	976,414	1,031,374	1,008,040	1,054,459	1,064,337	1,067,954
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**976,414**	**1,031,374**	**1,008,040**	**1,054,459**	**1,064,337**	**1,067,954**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(554,792)	(619,194)	(561,534)	(642,533)	(644,642)	(654,823)

Infrastructure

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Ty Lund

Ty Lund, *Minister of Infrastructure*
April 10, 2001

OUR MISSION

Alberta Infrastructure contributes to Alberta's economic prosperity and quality of life through the provision of necessary, effective and safe infrastructure for all Albertans.

CORE BUSINESSES

- Through innovative partnerships, support the provision of infrastructure to meet the overall needs of Albertans, including health care, learning, community service facilities and seniors' lodges.
- Ensure efficient planning, design, construction, rehabilitation, operation, maintenance, and land management of government-owned and supported infrastructure.
- Manage central services to all government departments including procurement of supplies, disposal of surplus materials, accommodation requirements, property acquisition and disposal, air transportation, and executive and government vehicle fleet operations.
- Represent Alberta's interests in internal and external trade agreements as they impact government procurement.

LINKAGES TO THE GOVERNMENT BUSINESS PLAN

Alberta Infrastructure's core businesses and scope of programs and services help to support Alberta's economy and touch the life of virtually every Albertan. This ministry supports all three of the core businesses identified in the Government's Business Plan: *People, Prosperity and Preservation,* through the provision of safe and effective infrastructure.

GOVERNMENT BUSINESS PLAN	ALBERTA INFRASTRUCTURE BUSINESS PLAN
People:	
1. Albertans will be healthy.	1. Provide capital funding for health care facilities and seniors' lodges (Goal 2).
2. Our children will be well cared for, safe, successful at learning and healthy.	2. Provide capital funding for Children's Services facilities, school facilities, and health facilities (Goal 2).
3. Alberta students will excel.	3. Provide capital funding for school facilities (Goal 2).
4. Albertans will be independent.	4. Provide capital funding for post-secondary institutions (Goal 2).
Prosperity:	
8. Our workforce will be skilled and productive.	8. Provide opportunities for student and employee exchange (Goal 4).
11. Alberta will have effective and efficient infrastructure.	11. Plan, construct and maintain government-owned and supported infrastructure (Goals 1,2,3).
Preservation:	
15. Alberta will be a safe place to live and raise families.	15. Provide and maintain court and correctional facilities (Goals 1, 2).
18. Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources.	18. Provide capital funding for museums and other cultural facilities (Goal 2).

GOALS AND STRATEGIES

GOAL 1: ENHANCE INFRASTRUCTURE PLANNING AND MANAGEMENT

OBJECTIVES	KEY STRATEGIES
1. Support the cross-ministry Capital Planning Initiative.	• Support effective funding decisions with a long-term capital plan for both government-owned and supported infrastructure. • Implement effective, independently verifiable Infrastructure Management Systems (IMS) and common key performance measures for owned infrastructure to improve planning and priority setting. • Develop a strategy for design and implementation of IMS and associated performance measures for supported infrastructure. • Divest government properties that are no longer required. • Participate in the development of a policy framework and guidelines for public/private partnerships.
2. Facilitate the accessibility of buildings.	• Ensure accessibility for persons with disabilities is fully considered in the policies, programs and services of the ministry, including owned and supported building infrastructure.
3. Support climate change initiatives.	• Continue to support the national climate change process with respect to conserving electricity and improving the energy efficiency of owned and supported building infrastructure.
4. Administer the Natural Gas, Propane/Fuel Oil Rebate Programs.	• Assist consumers by reducing the cost of natural gas, propane and fuel oil through monthly rebates.
5. Participate in the Electricity Conservation Strategy.	• Work with all government departments, industry and external stakeholders to achieve a reduction in power consumption.
6. Efficiently administer infrastructure construction and maintenance contracts.	• Maintain industry stakeholder access to bid documents in electronic form for publicly tendered construction contracts.

GOAL 2: WORK WITH PARTNERS TO PROVIDE QUALITY BUILDING INFRASTRUCTURE

OBJECTIVES	KEY STRATEGIES
1. Ensure effective planning and management of learning facility capital projects.	• Through the New Century Schools Plan, provide funding of $705 million in 2001-02 to school boards to address high-priority requests for new schools and school upgrades. • Plan, evaluate and develop provincial school capital plans, programs, processes, policies and legislation, as well as manage school capital, in partnership with Alberta Learning. This will include utilization, acquisition, and monitoring of all school facilities. • With school boards, develop long-term capital plans incorporating expansion needs and preservation priorities based on school facility audits. • Ensure school boards are aware of the new design and construction standards and operation and maintenance guidelines, as best practices for protecting the integrity of school infrastructure. • With school-facilities stakeholder groups, continue to implement the recommendations of the School Facilities Task Force. • Provide $256 million for post-secondary institutions in 2001-02 for expansion and renewal of existing facilities. • Undertake condition audits and develop a database for condition information for post-secondary institutions.
2. Rationalize the ministry's contracting requirements for supported infrastructure.	• Review all regulations, policies and practices governing the contracting activities of funded entities in supported infrastructure programs. • With stakeholder input, develop standardized contracting directives applicable to supported building infrastructure programs and projects.
3. Continue effective planning and project implementation to support government programs.	• Develop a facility to accommodate the provincial archives. • Renovate and expand the Court of Appeal Building in Calgary. • Manage the Swan Hills Treatment Centre during transition and develop and implement a long-term strategy for the facility. • In partnership with Community Development, provide $85.4 million and ministry expertize in the planning and construction of infrastructure projects for Alberta's 2005 Centennial. • Provide long-term accommodations for the Alberta Alcohol and Drug Abuse Commission's Youth Treatment Centre in Calgary. • Renovate and expand the Food Processing Centre in Leduc. • Establish approximately 100 Alberta Children's Initiative offices in existing and new leased space. • Consider options for underused space (e.g., consolidation of warehousing functions in the Westerra Building in Stony Plain, a former NAIT campus).
4. Provide funding and support for the construction and upgrading of health facilities and seniors' lodges.	• In partnership with Alberta Health and Wellness, provide $870 million in 2001-02 to regional health authorities for new health facilities and updating and expansion of existing facilities, including the Children's Hospital and Bone and Joint Centre of Excellence in Calgary, the Royal Alexandra Hospital Redevelopment and Cardiac Care Centre of Excellence in Edmonton and other acute and long-term care facilities throughout the province. • Continue involvement in major capital projects and capital upgrading for health care facilities. • Provide $80 million for health innovation research facilities for Calgary and Edmonton in 2002-03. • Develop and maintain a long-term provincial capital plan for health care facilities. • Complete the province-wide upgrading of 121 seniors' lodges by 2003. • Continue to manage projects on behalf of the lodge foundations that are outside the scope of the Lodge Upgrading Program.

GOAL 3: INCREASE THE EFFECTIVENESS AND EFFICIENCY OF CENTRAL GOVERNMENT SERVICES

OBJECTIVES	KEY STRATEGIES
1. Ensure effective planning and management of government facilities.	• Work with other ministries on accommodation needs and minimize overall government accommodation costs resulting from government restructuring. • By the end of 2001-02, sell or divest a further $35 million of surplus and underutilized properties, toward the total sales target of $100 million. • Continue to participate in a benchmarking survey with other government jurisdictions and the private sector comparing building operating costs.
2. Manage safe, reliable and cost-effective government transportation services.	• Ensure government aircraft are allocated according to established priorities. • Oversee the lease of the government vehicle fleet and manage the executive vehicle fleet.
3. Provide efficient, cost-effective and timely procurement services to other government ministries.	• Support the Alberta Corporate Service Centre (ACSC) in consolidating transactional/administrative and professional/advisory services under one organizational umbrella. • Continue to promote access by Alberta businesses to public sector procurement opportunities at all government levels by promoting awareness of the procurement provisions covered by the Agreement on Internal Trade. • Explore opportunities to adopt emerging e-procurement web-enabled technology to enhance and streamline cross-government procurement processes.

GOAL 4: CREATE A VALUE-ADDED ORGANIZATION

OBJECTIVES	KEY STRATEGIES
1. Build and maintain a workforce that can meet or exceed the challenges outlined in the business plan and support overall government goals and programs.	• Reallocate resources as needed to ensure the new Ministry of Infrastructure meets client needs. Partner with Alberta Transportation in sharing strategic corporate services. • Provide ongoing staffing and other resources to support new and existing government priorities as needed, such as managing the energy rebate programs, participating in the Electricity Conservation Strategy and supporting the Capital Planning Initiative. • In conjunction with other ministries, continue to explore opportunities to rationalize program delivery to enhance efficiency.
2. Update the ministry's Human Resource Plan.	• Continue with initiatives to train staff, such as the Learning Account Program and the ongoing development and implementation of learning plans and performance contracts for all employees. • Ensure leadership continuity within the ministry by developing an effective succession plan. • Foster an environment based on teamwork and implement recommendations from the Human Resource Advisory Committee regarding staff development and improving staff morale. • In co-operation with Alberta Transportation, enhance the Joint Workforce Development Initiative by working with industry and educational institutions to attract, train and develop members of the construction and consulting industries and the public service. • Expand opportunities for internships for students and secondments for both non-management and management staff. • Undertake work climate surveys to measure how well the workplace environment meets employee needs. • Increase employee knowledge of the ministry's business plan goals and strategies through strategic planning sessions and enhanced involvement in business plan development. Measure their level of understanding of the business plan process. • Encourage and support the Alberta Infrastructure/Alberta Transportation Wellness at Work Team to promote physical and mental well-being of employees, improve working relationships and enhance the corporate image of the ministry. Also support the ongoing implementation of the co-operative Rewards and Recognition Program.
3. Provide top-quality programs and services to clients.	• Measure client satisfaction with services provided by Alberta Infrastructure through an annual survey of stakeholders and clients. • Implement program/service improvements as needed to address client needs.

CORE PERFORMANCE MEASURES

GOAL 1: ENHANCE INFRASTRUCTURE PLANNING AND MANAGEMENT

The Capital Planning Initiative Report of March 2000 identified three long-term performance measures to be used across government to report on the management of physical infrastructure:

Physical Condition – the percentage of physical infrastructure rated as being in acceptable condition;

Utilization – the percentage of physical infrastructure for which utilization level is within targeted capacity;

Functional Adequacy – the percentage of physical infrastructure that provides acceptable functional service.

Planning and Management of Ministry Owned and Operated Buildings

	Results	Targets	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
A) Physical Condition: % of facilities meeting target criteria for physical adequacy	97	97	97	97	97
B) Utilization: % of facilities meeting target criteria for utilization	88	88	89	89	91
C) Functional Adequacy: % of facilities meeting target criteria for functional adequacy	74	74	79	80	81

A) Physical Condition of Ministry Owned and Operated Facilities

This measure is defined as the percentage of ministry owned and operated facilities which meet an acceptable condition rating. Acceptable condition is defined as facilities rated as *fair* or *good*. The condition of the facilities is based on a condition survey undertaken by ministry staff using general criteria. The Capital Planning Initiative Report of March 2000 identified a three-point rating scale applicable to this type of infrastructure:

Good – adequate for intended use and expected to provide continued service life with average maintenance;
Fair – components are aging, near the end of their life cycle, and require additional expenditures for renewal or refurbishing;
Poor – requires upgrading to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Of the buildings surveyed, 97% are in acceptable condition, of which 40% are in *fair* condition. Buildings rated as *fair* require ongoing upgrading and maintenance as major systems/components are at or near the end of their life cycle. Physical condition is a critical factor involved in the decisions to reconstruct, rehabilitate, maintain or dispose of infrastructure. This measure excludes buildings under 1,000 gross square metres.

B) Utilization of Ministry Owned and Operated Facilities

This measure is defined as the percentage of ministry owned and operated facilities over 1,000 gross square metres utilized within targeted capacity. Utilization rate is the ratio of space allocated for required programs to total usable space. Facilities with a utilization rate between 75% and 100% are within target capacity. Data used in this measure includes space used by quasi-government organizations who provide programs and services to communities and the public. Utilization is another key factor considered in decisions to maintain, renovate, expand or dispose of facilities.

C) Functional Adequacy of Ministry Owned and Operated Facilities

This measure is defined as the percentage of ministry owned and operated facilities over 1,000 gross square metres providing acceptable functional service. Facilities that meet current or anticipated functional program requirements are rated as acceptable. Functional adequacy takes into account the capacity to support the delivery of programs and to accommodate functions, as well as the suitability of the location. Functional adequacy is also a key factor considered in capital decision-making. Assessment of functional adequacy of a building, as a whole, is based on general criteria and the knowledge and discretion of Infrastructure staff in consultation with program departments. In future years, a methodology based on more detailed criteria will be developed.

GOAL 2: WORK WITH PARTNERS TO PROVIDE QUALITY INFRASTRUCTURE

Seniors' Lodge Upgrading Projects Completed (total 121)

	Results	Target	Business Plan Targets	
	1999-2000	2000-01	2001-02	2002-03
Number of seniors' lodges upgraded	78	90	107	121

This measure is calculated by determining the number of seniors' lodges for which upgrading is complete. The data represents the cumulative number of lodges upgraded. A total of 121 lodges were originally selected for upgrading.

GOAL 3: INCREASE THE EFFECTIVENESS AND EFFICIENCY OF CENTRAL GOVERNMENT SERVICES

Energy Consumption Per Square Metre

	Results	Target	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
Energy consumption in owned and operated facilities (megajoules per m^2)	1,813	1,813	1,800	1,785	1,785

This measure shows the average energy consumption in owned and operated facilities over 12 months, and is an indicator of how efficiently energy is being used by the facilities. The results are calculated by converting the actual energy consumption for gas and power into one common unit of measure (megajoules), which is adjusted for weather variations and divided by the total gross square metres of all owned facilities. The conversion to megajoules and weather variation adjustments allows for annual comparisons of consumption.

Operating Cost Per Square Metre

	Results 1999-2000	Targets 2000-01	Business Plan Targets 2001-02	2002-03	2003-04
Industry operating cost per m²		To be determined			
Average operating cost per m² of all office buildings owned and operated by Alberta Infrastructure		To be determined			

This measure compares the average annual operating cost per square metre of all Alberta Infrastructure owned and operated office buildings to the industry standard. The Alberta industry standard will be determined using the results of a national survey undertaken every two years. Information on comparable office buildings operated in Alberta, by both the public and private sectors, will be extrapolated from the national survey data. For those years where no survey is undertaken, the results from the prior year will be used and adjusted for variances in the energy costs.

GOAL 4: CREATE A VALUE-ADDED ORGANIZATION

Using the government-wide Core Measures Survey, this measure is defined as the percentage of Alberta Infrastructure employees who understand how their work contributes to the ministry's business plan.

Employees' Understanding of the Business Plan

	Results 1999-2000	Results 2000-01	Business Plan Targets 2001-02	2002-03	2003-04
% of Alberta Infrastructure employees who understand how their work contributes to the ministry's business plan	64%	85%	To be determined		
% of government employees who understand how their work contributes to their ministry's business plan	56%	78%	To be determined		

Client Satisfaction Survey

This measure is being developed. Data collected in 2000-01 will enable the ministry to develop a measure and set targets for future years.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Government Facilities	275,466	273,870	289,632	313,727	298,568	287,016
Municipal and Other Infrastructure	448,568	394,692	1,415,361	2,448,183	356,218	284,053
Central Services	19,164	19,175	15,477	18,400	17,246	17,448
MINISTRY EXPENSE	743,198	687,737	1,720,470	2,780,310	672,032	588,517

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
CAPITAL INVESTMENT						
Core Business						
Government Facilities	12,255	25,340	25,340	50,530	37,630	53,806
Central Services	1,326	1,036	1,036	1,500	1,500	1,500
MINISTRY CAPITAL INVESTMENT	13,581	26,376	26,376	52,030	39,130	55,306

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	200,000	260,000	260,000	345,000	55,000	55,000
Investment Income	3,700	4,300	4,300	4,300	4,300	4,300
Premiums, Fees and Licences	2,524	2,000	2,000	2,000	2,000	2,000
Other Revenue	35,266	22,920	31,420	25,160	21,160	19,860
MINISTRY REVENUE	241,490	289,220	297,720	376,460	82,460	81,160
EXPENSE						
Program						
Leases	72,184	76,100	76,100	82,370	82,370	82,370
Property Operations	95,546	95,745	110,095	116,730	97,328	98,151
Health Care Facilities	185,001	168,000	190,000	870,100	81,100	132,900
Seniors' Lodges	21,319	17,100	15,800	17,100	12,000	8,000
School Facilities	142,330	160,030	230,030	705,030	140,030	140,030
Post-Secondary Facilities	98,600	47,400	63,400	255,700	120,800	800
Government Facilities	31,286	19,695	21,995	25,850	29,350	14,750
Energy Rebates	-	-	914,000	598,000	-	-
Centennial Projects	-	-	-	1,400	2,400	4,200
Support Services	34,126	34,516	33,471	37,240	37,756	38,279
Cross-Government Services	12,635	13,602	10,030	11,630	11,738	11,877
Amortization	46,527	50,349	50,349	51,560	51,560	51,560
Nominal Sum Disposals	1,355	5,000	5,000	5,000	5,000	5,000
Consumption of Inventories	282	100	100	2,500	500	500
Valuation Adjustments and Other Provisions	2,007	100	100	100	100	100
MINISTRY EXPENSE	743,198	687,737	1,720,470	2,780,310	672,032	588,517
Gain (Loss) on Disposal of Capital Assets	2,215	-	-	-	-	-
Write Down of Capital Assets	(2,407)	-	-	-	-	-
NET OPERATING RESULT	(501,900)	(398,517)	(1,422,750)	(2,403,850)	(589,572)	(507,357)

CAPITAL INVESTMENT

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Program						
Land Acquisition	9,060	15,100	15,100	18,300	3,300	8,300
Government Facilities	2,826	9,830	9,830	13,920	12,420	6,920
Centennial Projects	-	-	-	17,900	21,500	38,000
Support Services	369	410	410	410	410	586
Cross-Government Services	1,326	1,036	1,036	1,500	1,500	1,500
CAPITAL INVESTMENT	13,581	26,376	26,376	52,030	39,130	55,306

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	241,490	289,220	297,720	376,460	82,460	81,160
Inter-ministry consolidation adjustments	(207,907)	(267,400)	(267,400)	(352,470)	(62,470)	(62,470)
Consolidated Revenue	33,583	21,820	30,320	23,990	19,990	18,690
Ministry Program Expense	743,198	687,737	1,720,470	2,780,310	672,032	588,517
Inter-ministry consolidation adjustments	(9,262)	(12,400)	(12,400)	(12,470)	(12,470)	(12,470)
Consolidated Program Expense	**733,936**	**675,337**	**1,708,070**	**2,767,840**	**659,562**	**576,047**
Gain (Loss) on Disposal of Capital Assets	2,215	-	-	-	-	-
Write Down of Capital Assets	(2,407)	-	-	-	-	-
Inter-ministry consolidation adjustments	(1,355)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
CONSOLIDATED NET OPERATING RESULT	(701,900)	(658,517)	(1,682,750)	(2,748,850)	(644,572)	(562,357)

Innovation and Science

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Victor Doerksen, FCGA, *Minister of Innovation and Science*
April 10, 2001

OUR VISION

Alberta will be recognized locally and globally as a world leader in the development and application of science and technology that improves the well being and prosperity of its people and improves its communities and natural environment.

OUR MISSION

To enhance the contribution of science, research, and information and communications technology to the sustainable prosperity and quality of life of all Albertans.

OUR CORE BUSINESSES

1. Science, Research and Development

Science, Research and Development involves:

- providing strategic leadership for science and research in Alberta,
- managing and funding strategic investments in science and research,
- co-ordinating government science and research,
- promoting a science culture in Alberta,
- applying science and research to improve stewardship of our resources and environment,
- commercializing the results of research,
- developing the "knowledge industry" component of the Alberta economy, and
- increasing the application of technology throughout the economy.

2. Government Information Technology

Government Information Technology involves:

- ensuring that the Government of Alberta is exemplary in the efficient and effective use of information and information and communications technology (ICT) in providing services to all Albertans,
- co-ordinating the effective use of computer technology, voice and data networks, and information systems within government,
- establishing cross ministry policies and standards for ICT to improve the efficiency and flexibility of government,
- identifying, facilitating and providing cross-department solutions for ICT, and
- identifying and promoting best practices through cross ministry initiatives.

STRATEGIC DIRECTION

Innovation and Science is all about strengthening the Alberta Advantage. This will be accomplished through a strong innovation system that includes not only research and development (R&D), but also the dissemination, commercialization, and application of knowledge and technology.

Innovation and Science is one member of a network of organizations that support the innovation system. Other levels of government and the universities are major players in the innovation system. A large role is also played by private sector enterprises by converting technology into products and services that produce socio-economic benefits for Albertans.

ALBERTA SCIENCE AND RESEARCH AUTHORITY (ASRA)

In 1994, the provincial government created the Alberta Science and Research Authority (ASRA). ASRA is a publicly appointed board of Albertans who are recognized provincially, and in many cases, nationally and internationally, as leaders in the areas of science, research and technology. The role of the Authority is to advise government respecting science, engineering and technology that affect resources or industry in Alberta and to make strategic investments in the areas of R&D and science and technology.

In addition to investing in research, ASRA is helping to lay the groundwork for a stronger economy and brain gain. The Board provides an all-encompassing view on what we need to help prepare our province, our economy and our people for the future. One example of this is *Sustaining the Alberta Advantage*. This key strategy document was presented by ASRA in September 1997 and included recommendations in relation to the new economy. Many of these recommendations have been acted on and incorporated into the initiatives of several government ministries.

Strategic priorities set for the Ministry of Innovation and Science by ASRA for 2001-2004 include life sciences (agriculture, forestry, health and biotechnology research), ICT, and energy. Across each of these priorities is a focus on education, public relations and stewardship issues.

RESEARCH INSTITUTES

ASRA's organizational structure includes three unincorporated boards that advise ASRA on its strategic mandate:

- Alberta Agricultural Research Institute (AARI)
- Alberta Energy Research Institute (AERI)
- Alberta Forestry Research Institute (AFRI)

Alberta Agricultural Research Institute (AARI)

AARI's strategic direction was developed in support of the Ag Summit 2000 Industry Vision: *To create a collaborative environment which supports continued growth of a healthy, productive and sustainable agri-food industry in Alberta.*

AARI will provide leadership to:

- improve the R&D system, by facilitating the development of industry-wide collaborative and complementary research activities, and
- substantially increase focus on strategic funding initiatives in life sciences, value-added processing, and environmental sustainability.

AARI provides advice to ASRA and the Minister regarding information and research on science, engineering and technology related to the agri-food industry.

Alberta Energy Research Institute (AERI)
Alberta is blessed with abundant energy resources including hydrocarbons (oil, natural gas, coal) and renewable energy (biomass, hydro, wind and solar). Advanced technology is an essential factor enabling the entire energy sector. The role of AERI, through ASRA, is to invest in research for technology to enhance the sustainable development of Alberta's energy resources. AERI provides advice to ASRA and the Minister regarding information and research on science, engineering and technology related to energy.

Alberta Forestry Research Institute (AFRI)
This institute will be established to provide advice to ASRA and the Minister on science, engineering and technology related to forestry, ultimately contributing to the conservation and sustainable management of Alberta's forest resources.

PROVINCIAL CORPORATIONS

Also part of ASRA's corporate structure are two provincial corporations (wholly owned subsidiaries of ASRA), the Alberta Research Council Inc. (ARC) and iCORE Inc. (Informatics Circle of Research Excellence Inc.).

ALBERTA RESEARCH COUNCIL INC. (ARC)

ARC conducts its activities in three areas: public good; technology development and commercialization; and contract R&D.

ARC's public good activities are aligned with ASRA's strategic themes of life sciences, energy and ICT in areas where industry is unable or unwilling to invest due to higher risk and longer term or widely dispersed benefits.

ARC also assists in technology development and commercialization in early stage and start-up enterprises to move technology from concept to prototype and, ultimately, to viable business operations.

ARC's contract R&D activities attract and encourage industrial research and development to Alberta and enable Alberta industries to compete successfully in the global market through the application of new technologies.

iCORE INC. (INFORMATICS CIRCLE OF RESEARCH EXCELLENCE)

The mandate of iCORE is to attract and grow a critical mass of leading researchers in the fields of computer science, electrical and computer engineering, and other ICT-related disciplines. iCORE is also exploring ways to support current ICT research faculty and graduate students at Alberta universities.

DEPARTMENT OF INNOVATION AND SCIENCE

Innovation and Science is unique in its organizational make-up. Department staff work closely with advisory boards whose representatives come from the private sector and academia. This structure allows for increased integration and efficiency of government research and development investments, technology commercialization and development of knowledge industries.

Innovation and Science, through the Office of the Chief Information Officer (CIO), also provides leadership and focus to the planning and implementation of information technology initiatives to support the government's vision of being a model user of technology in serving Albertans. This includes leadership for the development of cross ministry information technology policies, standards, security frameworks and technical infrastructure, as well as ensuring that ministry technology plans and initiatives align with corporate plans and directions. The CIO Office is also responsible for the implementation of an integrated financial and human resource system through the IMAGIS team.

Innovation and Science is responsible for management of the SUPERNET project. A consortium led by Bell Intrigna will implement a province-wide network that will provide high-speed connection to every learning institution, library, government facility and hospital. As well, in 422 communities, high-speed network bandwidth will be provided to service suppliers at city rates. In these communities high-speed Internet services will also be made available to residences at rates comparable to those in urban centers.

LINKAGES TO GOVERNMENT'S CORE BUSINESSES

Innovation and Science, in conjunction with other government ministries, will continue to implement the Economic Development Strategy and the Corporate Information Management/Information Technology Strategy.

Innovation and Science works co-operatively with government ministries and agencies within the Alberta Government and other levels of government to ensure the development and implementation of:

- Corporate Information Management/Information Technology Strategy
- Climate Change Strategy with: Environment, Agriculture, Food and Rural Development, Energy, and the ARC
- Western Economic Partnership Agreement with the Federal Government
- Alberta One-Window Initiative with all ministries
- Aboriginal Policy Initiative with Aboriginal Affairs and Northern Development.

Science, research, and ICT contribute to each of the following core businesses identified within the Alberta Government's Business Plan:

PEOPLE

The well being of Albertans will be sustained through the innovative application of knowledge and technology.

PROSPERITY

Alberta's economy will be sustainable and competitive through innovation, creation and use of knowledge and technology.

PRESERVATION

The well being of Alberta's communities and natural environment will be sustained through the application of knowledge and technology.

CORE BUSINESS: SCIENCE, RESEARCH AND DEVELOPMENT

- Providing strategic leadership for science and research in Alberta
- Managing and funding strategic investments in science and research
- Co-ordinating government science and research
- Increasing the application of technology throughout the economy

GOAL 1: MAXIMIZE THE INTERNATIONAL COMPETITIVENESS OF ALBERTA'S SCIENCE AND RESEARCH SYSTEM.

A strong science and research system relies on quality people, quality research, quality infrastructure and financial investment.

STRATEGIES

Quality People – Quality Research

- Attract and grow a critical mass of outstanding researchers in the fields of computer science, electrical and computer engineering, physics, mathematics and other ICT-related disciplines.
- Maintain and enhance faculty and graduate student quality and research excellence at universities and teaching hospitals. Support graduate students through project and program funding.
- Provide leadership and advocacy in working with Alberta universities to maximize the return on the public's investment in research, and to promote research excellence.
- Build networks among universities, government and industry to facilitate science and research efforts.

Quality Infrastructure

- Make strategic investments through the Innovation and Science Research Investments (ISRI) program to enhance key research activities and infrastructure at Alberta universities, research hospitals, and other research organizations.
- **SUPERNET** - Form a strategic alliance with the private sector to develop and implement a network that will make high-speed telecommunications access available province-wide, at competitive urban rates.

Financial Investment

- Increase Alberta's ability to attract R&D investment from private, public, national and international sources.

KEY PERFORMANCE MEASURES

Quality People – Quality Research

Measures

Alberta ICT Advantage

The Industrial Age has given way to the Information Age, and advancements in information and communications technologies are providing new economic opportunities. With the proper use and encouragement of ICT, Alberta can seize the opportunity to become more productive and competitive in the global economy.

NUMBER OF PEOPLE EMPLOYED IN THE ICT SECTOR

	1999 Actual	2000 Target	2000 Actual	2001 Target	2002 Target	2003 Target	2004 Target	2005 Target
Number of ICT Workers in Alberta	50,300 ICT workers	55,300 to 60,300 ICT workers	53,700 ICT workers	5,000 to 10,000 new jobs	5,000 to 10,000 new jobs	5,000 to 10,000 new jobs	5,000 to 10,000 new jobs	85,300 ICT workers

Source for Actual: Statistics Canada - Labour Force Survey

Financial Investment

Supplementary Measure

R&D Investment in Alberta by Source (Federal, Provincial, Business)

In an "innovation-based economy", investment in science and R&D is the primary driver of business growth and success. Target (as identified in *Get Ready Alberta*): $2 billion total R&D investment from the province, Federal Government and business by 2005.

CORE BUSINESS: SCIENCE, RESEARCH AND DEVELOPMENT

- Commercializing the results of research
- Developing the "knowledge industry" component of the Alberta economy
- Increasing the application of technology throughout the economy

GOAL 2: PROMOTE EFFECTIVE TECHNOLOGY COMMERCIALIZATION, ADOPTION, AND INVESTMENT IN ALBERTA.

Alberta will reap significant gains from being a preferred location for technology commercialization, adoption of science and technology, investment in R&D, and investment in technology business.

STRATEGIES

- Increase commercialization and application of the results of R&D in Alberta by developing and promoting the network of University Technologies International (UTI), the Industry Liaison Office (ILO) and the ARC to actively encourage more companies to adopt new technologies.
- Facilitate a stronger, more collaborative technology commercialization network within Alberta.
- Attract and grow people in management of biotechnology research organizations.
- Form collaborative international agreements in R&D and technology commercialization.
- Support research and technology development initiatives important to future economic development and sustainability.
- Develop and implement, in conjunction with Alberta Economic Development, a promotional package on the Alberta Advantage aimed at attracting key business opportunities and venture capital investments to Alberta.
- Promote adoption of new knowledge and technology by commercializing research in existing and emerging industries.
- Encourage the direct application of new knowledge and research in relevant public and private organizations.
- Encourage the dissemination of new R&D advances through the Enabling Research and Technology Transfer stream of the ISRI program.
- Establish a community involvement program to ensure that maximum benefits are achieved from the SUPERNET infrastructure that is being put in place (refer to Goal 1).

KEY PERFORMANCE MEASURES

Measures

High-Speed Network Access

Through the SUPERNET, we will make high-speed network and Internet access available, province-wide, at competitive urban rates within three years. In every community with at least one learning institution, library, or health facility, high-speed Internet access will be available to the public at competitive urban rates, while high-speed network services will be available to businesses at competitive urban rates. This initiative provides the infrastructure supporting the expansion of a knowledge-based economy and the opportunities that accompany it.

PERCENTAGE OF LEARNING INSTITUTIONS CONNECTED TO A HIGH-SPEED NETWORK

Learning Institutions	2000 Estimate*	2001 Target	2002 Target	2003 Target	2004 Target
Kindergarten to Grade 12*	16	30	50	75	100
University/College	14	20	60	80	100

Source: Alberta School Jurisdictions and post-secondary institutions.

* Currently, 100% of schools who wanted to connect to the Internet have been connected as a result of a provincial program or through local school jurisdiction initiatives. Our 2000 Estimate reflects only the percentage of learning institutions with a high-speed connection (10 Mbs or more).

Economic Impact on Alberta

The following performance measures are reported on by the ARC.

ALBERTA RESEARCH COUNCIL PERFORMANCE MEASURES

	1998-99 Actual	1999-2000 Actual	2000-01 Target	2001-02 Target	2002-03 Target	2003-04 Target
Economic Impact ($ millions)	143	167	180	190	200	220
Job Creation (direct jobs)	712	807	810	830	860	890
Commercialization Revenues ($ millions)	1.7	1.7	3.4	7.2	10.1	14.9
Customer Satisfaction	96.6%	97.0%	97.5%	97.8%	98%	98%

Source: Alberta Research Council Inc.

CORE BUSINESS: SCIENCE, RESEARCH AND DEVELOPMENT

- Providing strategic leadership for science and research in Alberta
- Managing and funding strategic investments in science and research
- Co-ordinating government science and research
- Applying science and research to improve stewardship of our resources and environment
- Increasing the application of technology throughout the economy

GOAL 3: PROMOTE EFFECTIVE APPLICATION OF SCIENCE AND RESEARCH FOR IMPROVING THE STEWARDSHIP OF ALBERTA'S RESOURCES AND ENVIRONMENT.

Stewardship involves the use, growth and sustainable development of our resources and environment.

STRATEGIES

- Fund R&D that leads to enabling technologies for economic and sustainable development of Alberta's natural resources.
- Continue to work on Greenhouse Gas management through Climate Change Central (with Environment, Energy, Agriculture, Food and Rural Development and ARC).
- Build partnerships to stimulate research on Alberta's energy resources in addition to oil sands.

KEY PERFORMANCE MEASURES

Measure

Development of Renewable Resource Technologies

This measure includes initiatives in fossil fuels, agriculture and forestry, supporting technology and public good.

ARC GROWTH IN SPENDING ON GREENHOUSE GAS STRATEGIC INITIATIVE

	1999-2000 Actual	2000-01 Actual	2001-02 Target	2002-03 Target	2003-04 Target
Total Spending ($ thousands)	679	984	1,000	1,180	810
Total Contract Revenue ($ thousands)*	1,918	2,523	4,698	9,575	12,110
Number of Projects	21	34	33	33	33
Number of Partners	45	50	55	60	65
Total ARC Persons Involved**	10.2	14.7	14.9	22.1	25

Source: Alberta Research Council Inc.

* Includes consortium projects where ARC is the Program Manager/Coordinator.

** Full-time Equivalent.

CORE BUSINESS: SCIENCE, RESEARCH AND DEVELOPMENT

- Promoting a science culture in Alberta
- Managing and funding strategic investments in science and research
- Increasing the application of technology throughout the economy

GOAL 4: PROMOTE THE BENEFITS OF SCIENCE AND INNOVATION WITHIN ALBERTA.

We want Albertans to understand the importance of science and research to their long-term prosperity and quality of life and support government investment in science and research.

STRATEGIES

- Create a communications and marketing campaign around the Alberta SUPERNET initiative to educate Albertans and strengthen the "culture of use" of the Internet and related technologies.
- Increase the awareness and promotion of science and technology to K-12 students so that they will consider science and technology as a viable career opportunity (e.g., Science and Technology Week activities).
- Through the Science Awareness and Promotion stream of the ISRI program, expand the familiarity of Albertans with science and research.
- Develop and implement a communication plan for science awareness, literacy, and benefits of science and innovation.
- Work with provincial science, research, education and technology organizations to:
    - enhance the science culture and literacy within the province
    - improve cost effectiveness and delivery of programs and services
    - retain and increase industry support for research
    - promote increased application of research results by producers, processors, policy makers and the general public.
- Develop a web-based database and annual directory of all science awareness and education organizations and activities across the province to be used as a resource for schools, families and individuals.

KEY PERFORMANCE MEASURES

Measures

Collect data on student's perceptions of science and technology as a career choice. Determine baseline. (Develop survey with Learning, Alberta Universities and the Statistics branch of Alberta Finance.)

Collect data on public perception of the benefits of science and innovation. Determine baseline. (Develop survey with Population Research Lab (U of A) and in consultation with the Statistics branch of Alberta Finance.)

Science Awareness

There is increasing evidence that expertise in mathematics and sciences will not keep pace with the demands anticipated in the 21st century. Knowledge in these areas will be a prerequisite for high status and well-paid jobs in a technologically advanced workforce.

To ensure that Alberta has an "innovation-based" workforce, it is important that school aged students and young adults are aware of the opportunities particularly in the fields of science, technology and engineering. These fields are clearly linked to national-level growth and change and serve to drive and dominate social and economic trends.

The Ministry of Innovation and Science has been working with partners such as the University of Calgary and the Science Alberta Foundation to foster a culture of knowledge and innovation throughout the province. This new measure shows the amount of ASRA spending on science awareness/education. This measure will be further developed in conjunction with the other two measures proposed for this goal: Student Perceptions of Science and Technology as a Career Choice, and Public Perceptions of the Benefits of Science and Innovation.

ASRA SPENDING ON SCIENCE AWARENESS/EDUCATION* (DOLLARS)

Project Name	Research Organization	1999-2000 Actual	2000-01 Target	2001-02 Target	2002-03 Target	2003-04 Target
Science 2010 Computers	Edmonton Space and Science Centre	100,000	—	—	—	—
Science Education Outreach	Science Alberta Foundation and Alberta Science Literacy Assoc.	270,000	—	—	—	—
Scibermentor	University of Calgary	—	60,000	60,000	60,000	—
Knowledge Community	The Galileo Educational Network Assoc. (U of C)	200,000	200,000	200,000	—	—
Science Alberta Foundation	Science Alberta Foundation	750,000	1,300,000	1,300,000	1,300,000	1,300,000
Unallocated		—	60,000	90,000	390,000	500,000
Totals		1,320,000	1,620,000	1,650,000	1,750,000	1,800,000

Source: Innovation and Science, *Strategic Investment Report*

*Grants are distributed as one-time payments or over the course of several years.

CORE BUSINESS: GOVERNMENT INFORMATION TECHNOLOGY

- Ensuring that the Government of Alberta is exemplary in the efficient and effective use of information, and information and communications technology (ICT) in providing services to all Albertans
- Co-ordinating the effective use of computer technology, voice and data networks, and information systems within government
- Establishing cross ministry policies and standards for ICT to improve the efficiency and flexibility of government
- Identifying, facilitating and providing cross ministry solutions for ICT
- Identifying and promoting best practices through cross ministry initiatives

GOAL 5: THE GOVERNMENT OF ALBERTA WILL BE A MODEL USER IN THE APPLICATION OF INFORMATION, KNOWLEDGE AND TECHNOLOGY.

Achieve the effective use of information, and information and communications technologies to enhance government program delivery.

STRATEGIES

Strengthen the governance and accountability framework

- Implement corporate frameworks for accountability and governance in information management and information technology (IMT).

Achieve results through effective management of investments

- Implement a corporate framework to manage investments in technology and telecommunications.
- Implement a corporate framework for managing performance of the ICT infrastructure.

Adopt standards and best practices across government

- Research, adopt, promote and set standards for the application and use of ICT.
- Standardize and consolidate the different server environments that exist throughout government to optimize the corporate technology infrastructure.
- Establish an Information Protection Centre to improve network security practices and respond to security incidents government-wide.
- Identify opportunities in IMT for shared service approaches, standards (e.g. common platform and tools), best practices and cross ministry initiatives to reduce duplication of effort/investment and collaborate with ministries to implement solutions.
- Lead government in the planning, standardization and ongoing development of a compatible, secure infrastructure for information management and ICT.
- Identify and adopt a government-wide IMT Enterprise Architecture and toolset for standard deployment and management of IT assets.

KEY PERFORMANCE MEASURES

Measures

IMT Alignment

The degree of IMT alignment with major corporate IMT directions and initiatives will be measured through a review of ministry plans. The Office of the CIO will base the review on formal education criteria.

Percentage of Ministries Aligned

1999-2000 Actual	2000-01 Baseline	2001-02 Target	2002-03 Target	2003-04 Target
Not available	Baseline being developed	80	90	95

Source: Innovation and Science, Office of the CIO

STRATEGIES

Expand access to information and services

- Develop an E-Government and E-Commerce strategy for delivering services and conducting business electronically, addressing business, technical, legislative and policy requirements.
- Provide a corporate technology infrastructure to enable completion of the Alberta One-Window Initiative. This initiative will offer secure electronic access to the portfolio of services provided by the government.
- Implement an integrated financial and human resources system (IMAGIS) which supports the optimization of PeopleSoft applications and improves the overall efficiency and effectiveness of financial and human resource processes.

Take advantage of the strategic value of information

- Develop an information management framework in conjunction with Government Services.
- Develop an Electronic Document Management Strategy to support the management of documents across the Alberta government and to support ministry initiatives.

Invest in SUPERNET infrastructure

- Develop and implement an open, competitive network that will make high-speed telecommunications access available province-wide, at competitive urban rates, through a strategic alliance with the private sector (refer to Goal 1).

  The SUPERNET strategy supports *Strengthening Relationships*–the Government of Alberta's Aboriginal Policy Initiative, *Get Ready Alberta*–the province's Economic Development Strategy, and the other cross ministry initiatives.

KEY PERFORMANCE MEASURES

Measures continued

Common Platform and Tools

An enterprise architecture that will enable the electronic delivery of government services, by providing a corporate technology framework.

	Percentage Completion				
Item	**1999-2000 Actual**	**2000-01 Target**	**2001-02 Target**	**2002-03 Target**	**2003-04 Target**
Degree of departmental support and participation in the launch of an ongoing Government of Alberta Enterprise Architecture program	25	50	100	*	*
Enterprise Standards Management Process**	75	100	100	100	100
Design of a Distributed Computer Support Model	25	50	100	100	100
Desktop Standards					
• E-Mail	not available	85	100	100	100
• Hardware Baseline	not available	50	80	90	90
• Common Software Configuration (Edit, Calendar, Browsers, etc.)	not available	85	90	95	100
• Web component Standards	not available	75	90	100	100
Process Standards					
Data Standards	not available	80	90	95	95
Security					
• Government-Wide Security Policies	not available	80	100	100	100
• Virus Protection Standards	not available	80	100	100	100
• Network Protection Standards	not available	80	100	100	100
• Active Protection/Alerts Standards	not available	50	85	100	100
	Percentage Reduction				
Server Optimization (% reduction)***	not available	0	20	30	50

Source: Innovation and Science, Office of the CIO

* Formal measures of the Government of Alberta Enterprise Architecture program are being established and will appear in the 2002-05 business plan.

** Through the Standards Management Process, a cross government committee will recommend standards and/or common tools for adoption by all departments. Innovation and Science will lead the process, with targets indicating cross ministry adoption of standards or common tool sets.

*** Server Optimization encompasses centralizing servers in fewer locations, physically consolidating functions on to fewer machines, consolidating data on to shared storage, and reducing the number of supported server architectures.

CORE BUSINESS: MINISTRY OPERATING EFFECTIVENESS

GOAL 6: EFFECTIVELY MANAGE HUMAN CAPITAL WITHIN THE MINISTRY OF INNOVATION AND SCIENCE.

The Corporate Human Resource Development Strategy is a key cross ministry initiative. The overall goal of this strategy is to respond to demographic pressures, growing competition for scarce resources and rapidly changing skill needs. Goal 6 and its strategies identify the contributions from Innovation and Science to the Corporate Human Resource Development Strategy.

STRATEGIES

- Maintain and enhance staff skill, talent and understanding of science and innovation.
- Develop:
  - competency requirements for employees,
  - policy regarding employee development/training (including targets), and leadership continuity.
- Continue to implement the Corporate Human Resource Development Strategy within Innovation and Science.
- Continue to promote co-op and internship programs.
- Develop and implement a plan to ensure a positive work environment for employees including opportunities for development.

KEY PERFORMANCE MEASURES

Measure

GOVERNMENT SURVEY OF INNOVATION AND SCIENCE EMPLOYEES

	1999-2000 Baseline	2000-01 Actual	2001-2002 Target
Percentage of employees who know how their work contributes to the achievement of the Innovation and Science business plan	84	77	85
Percentage of employees who are satisfied with their employment at Innovation and Science/Government of Alberta	83	88	85
Percentage of employees who agree that Innovation and Science provides the support they need to acquire or develop knowledge and skills in their current job	83	86	85
Percentage of employees who agree that they have the skills and knowledge to meet the anticipated requirements of their job over the next three years	76	81	85
Percentage of employees indicating that their organization provides expected outcomes for their work*	66	68	85
Percentage of employees indicating that their organization helps them know and understand how well they are performing*	77	69	85

Source: Government of Alberta, *Topline Frequencies of the Results of the 2000 Core Human Resources Measures Survey (December 11, 2000).*

* Survey question added to the 2001-2004 Business Plan

INDICATORS FOR SCIENCE, RESEARCH AND TECHNOLOGY – THE ALBERTA ADVANTAGE

> *The ability to create, distribute and exploit knowledge and information seems ever more important and is often regarded as the single most important factor underlying economic growth and improvements in the quality of life.*
>
> OECD Science, Technology and Industry Scoreboard, 1999

Monitoring a variety of indicators can help develop a composite picture of how Alberta is doing in comparison to other provinces, Canada, and other countries around the world. Because this information is not always comparable, and in some cases, not very timely, it is presented here for information only. By studying these indicators over time, Innovation and Science plans to develop better performance measures and establish benchmarks for the Ministry. Results for these indicators will be reported on in upcoming annual reports for Innovation and Science.

INDICATORS

Scientists, engineers, technologists and technicians as a percentage of the labour force (and comparisons of Alberta to BC, Ontario and Canada).

Total Sponsored Research Funding (overall and by source)
The ability of universities and teaching hospitals to attract research funding is an indicator of the quality of their faculty and their research programs.

R&D Investment
In an "innovation-based economy", investment in science and R&D is the primary driver of business growth and success. Target (as identified in *Get Ready Alberta*): $2 billion total R&D investment from the province, federal government and business by 2005.

Business Innovation
Alberta business use of the Internet to sell goods and services compared to that of the rest of Canada and the world as an indicator of innovation and the development of commercially viable products, processes and services.

Community Involvement – Use of SUPERNET
Through the SUPERNET, we will make high-speed network and Internet access available, province-wide, at competitive urban rates within three years. In every community with at least one learning institution or health facility, high-speed access will be available to the public and to businesses at competitive urban rates. A program will be implemented to ensure that maximum benefits are achieved from the infrastructure that is being put in place.

NUMBER OF ALBERTA COMMUNITIES USING HIGH-SPEED INTERNET

Number of Communities where:	2000 Estimate*	2001 Target	2002 Target	2003 Target	2004 Target
Residences are using high-speed internet access	30	30	50	200	422
Businesses/other are using high-speed services	not available	not available	50	150	250

*2000 Estimate based on information acquired from a variety of Internet service providers throughout Alberta.

Research Investment

Growing Alberta's innovation-based economy is a challenging but achievable objective. In an innovation-based economy, investment in science and R&D is the primary driver of business growth and success.

This new indicator is under development. It will show research investment by ASRA and associated matching funding from other levels of government and the private sector over time in the three priority areas: life sciences, ICT and energy.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Science, Research and Development	132,559	144,829	142,901	146,874	149,919	158,565
Government Information Technology	62,130	76,421	66,701	99,621	164,752	88,592
MINISTRY EXPENSE	194,689	221,250	209,602	246,495	314,671	247,157

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	40,928	40,832	40,832	90,838	152,644	79,044
Transfers from Government of Canada	279	1,625	2,440	1,125	1,000	1,000
Investment Income	378	190	630	390	340	340
Other Revenue	52,938	69,482	59,715	52,459	57,900	63,989
MINISTRY REVENUE	94,523	112,129	103,617	144,812	211,884	144,373
EXPENSE						
Program						
Alberta Science and Research Authority (ASRA)						
Alberta Agricultural Research Institute	10,387	8,755	8,582	8,900	8,875	8,875
Alberta Energy Research Institute	7,288	5,540	7,370	8,900	6,940	6,940
Alberta Forestry Research Institute	1,080	1,251	1,400	1,450	1,257	1,257
Alberta Research Council Inc.	54,184	63,441	57,519	68,023	73,077	81,494
iCORE Inc. (Informatics Circle of Research Excellence)	855	10,000	10,000	10,000	10,000	10,000
Research Investments Program	40,622	29,600	25,000	25,000	30,000	30,000
Strategic Research Initiatives	4,940	12,250	19,073	10,897	5,725	5,725
Research Excellence Envelope	5,500	3,500	3,500	3,500	3,500	3,500
Technology Commercialization Initiatives	1,354	2,675	2,675	2,350	2,175	2,175
Operations and Policy Development	4,063	5,697	5,697	5,664	6,180	6,344
Office of the Chief Information Officer	1,529	1,810	1,610	1,820	1,820	1,870
Information Technology Services	58,350	72,526	62,671	45,656	48,987	46,312
Alberta SUPERNET	-	-	-	50,000	111,800	38,200
Ministry Support Services	4,537	4,205	4,205	4,335	4,335	4,465
Valuation Adjustments and Other Provisions	-	-	300	-	-	-
MINISTRY EXPENSE	194,689	221,250	209,602	246,495	314,671	247,157
Gain (Loss) on Disposal of Capital Assets	(583)	-	-	-	-	-
Write Down of Capital Assets	(476)	-	-	-	-	-
NET OPERATING RESULT	(101,225)	(109,121)	(105,985)	(101,683)	(102,787)	(102,784)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	94,523	112,129	103,617	144,812	211,884	144,373
Inter-ministry consolidation adjustments	(66,236)	(76,837)	(70,512)	(105,331)	(171,110)	(95,916)
Consolidated Revenue	28,287	35,292	33,105	39,481	40,774	48,457
Ministry Program Expense	194,689	221,250	209,602	246,495	314,671	247,157
Inter-ministry consolidation adjustments	(25,308)	(36,005)	(29,680)	(14,493)	(18,466)	(16,872)
Consolidated Program Expense	**169,381**	**185,245**	**179,922**	**232,002**	**296,205**	**230,285**
Gain (Loss) on Disposal of Capital Assets	(583)	-	-	-	-	-
Write Down of Capital Assets	(476)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(142,153)	(149,953)	(146,817)	(192,521)	(255,431)	(181,828)

International and Intergovernmental Relations

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Halvar Jonson, *Minister of International and Intergovernmental Relations*
April 10, 2001

VISION

"A strong Alberta, active in an open world and in a prosperous, united Canada."

MISSION

To lead the development of government-wide strategies and policies for Alberta's relations with international governments and organizations; and federal, provincial and territorial governments in Canada.

CORE BUSINESS

To provide leadership in the management of Alberta's international and intergovernmental relationships. Sound government-to-government relationships are key elements in securing Alberta's future well-being.

To fulfill this leadership role, coordinated Alberta strategies are essential. Development and implementation of these strategies require close cooperation with other Alberta ministries, as well as strategic partnerships with public and private organizations.

Key services provided by the department include the following:

- Advancing Alberta's interests through intergovernmental negotiations and discussions
- Coordinating Alberta's strategies relating to international and intergovernmental relations
- Providing strategic advice and policy analysis to Alberta ministries and other clients
- Obtaining, supplying and analyzing information for Alberta ministries and other clients

CLIENTS AND PARTNERS

The department serves the people of Alberta by working towards goals that advance the social and economic well-being of all Albertans. The department's key clients are the Premier, Cabinet, Caucus, and other departments and agencies of the Alberta government. The work of the department often involves partnerships with:

- other governments – internationally and within Canada
- Alberta organizations, institutions and businesses
- other government departments

As a small department, there is a strong commitment to teamwork, both within the organization and in partnership with staff in other departments. The department recognizes that building cooperative relationships with our clients and partners in the areas of international and intergovernmental relations is critical to its success.

GOALS

The department contributes to all three of the core businesses of the Government of Alberta: People, Prosperity and Preservation. The department's key goals are:

- To secure benefits for Alberta from strengthened international relations.
- To secure benefits for Alberta as an equal partner in a revitalized, united Canada.

In addition, the department continues to be committed to the goals of the Cross Ministry Initiative – Corporate Human Resource Development Strategy. The department is implementing a Human Resource Plan with a priority focus on leadership development and succession planning. There is a commitment to enhancement of the existing employee recognition program; the need to ensure that all employees have the skills necessary to achieve current and future goals; and to provide for an ongoing, effective performance management system. The department believes in continuous review and improvement of administrative and human resource management processes.

GOALS AND STRATEGIES

GOAL 1: TO SECURE BENEFITS FOR ALBERTA FROM STRENGTHENED INTERNATIONAL RELATIONS

KEY RESULTS	STRATEGIES
1.1 Strengthened Alberta intergovernmental relations with key foreign economic partners.	a) Implement Alberta's international strategy framework in partnership with other Alberta ministries, ensuring consistency between related international initiatives, and responsiveness to a dynamic global environment. b) Build and maintain alliances with key U.S. federal and state decision-makers and organizations in order to improve the two-way flow of goods, services, people, and investment, and to promote open dialogue on potential irritants. c) Build economic and cross-cultural twinning relationships with foreign states/ provinces to broaden Alberta's international focus, and to raise Alberta's profile in key international markets. d) Promote the Alberta Advantage to foreign governmental decision-makers by planning missions abroad (e.g., Premier and Team Canada missions), and by developing strategically focused programs for visiting delegations. e) Coordinate Alberta government participation in international development projects in cooperation with the private sector, academic institutions and non-government organizations to improve governance structure in developing countries and emerging markets. f) Encourage the federal government to develop and implement Canadian foreign policy that addresses Alberta's interests and priorities.
1.2 Expanded trade liberalization and foreign market access for Albertans through international trade and investment agreements.	a) Remove or reduce barriers to trade and investment through direct negotiation, and participate with the federal government in negotiations to ensure Alberta's objectives are pursued. b) Develop a formal federal-provincial agreement that stipulates full provincial participation in Canada's negotiation of agreements affecting provincial jurisdiction or interests. c) Consult and work with private and public sector organizations to pursue the benefits of free trade. d) Manage government-wide implementation of the North American Free Trade Agreement (NAFTA), the World Trade Organization (WTO) Agreement and other agreements. Anticipate and prevent disputes. e) Coordinate Alberta's participation in WTO negotiations on issues involving provincial jurisdiction (e.g., environment, labour, agriculture, competition and business regulation, and services) and in other regional and multilateral negotiations (e.g., Free Trade Agreement of the Americas (FTAA), Asia-Pacific Economic Cooperation). f) Manage disputes and defend Alberta's interests under NAFTA, WTO and other agreements. g) Work with other Alberta ministries to implement the trade policy component of Alberta's international strategy in a targeted, coherent manner.

GOAL 2: TO SECURE BENEFITS FOR ALBERTA AS AN EQUAL PARTNER IN A REVITALIZED, UNITED CANADA

KEY RESULTS	STRATEGIES
2.1 Effective participation by Alberta in the Canadian federation.	a) Advance Alberta's interests and ensure that Alberta priorities are addressed at intergovernmental meetings of Ministers and officials. b) Provide policy analysis and strategies, and coordinate input from other Alberta ministries for Alberta's participation in First Ministers' meetings, Premiers' Conferences, and Ministerial meetings. c) Develop strategies and policy options, in conjunction with Alberta ministries, to enable Alberta to receive a fair share of federal funding. d) Work with Alberta ministries to develop and implement coordinated and consistent approaches to intergovernmental issues and processes. e) Assist Alberta ministries in the development of intergovernmental agreements that reflect Alberta's intergovernmental objectives and priorities.
2.2 A Canadian federal system that better serves Albertans' needs.	a) Implement, in conjunction with Alberta ministries, "A Framework to Improve the Social Union for Canadians" in a manner consistent with Alberta's intergovernmental interests. b) Develop, in conjunction with other governments, an intergovernmental dispute settlement mechanism that can be applied to potential disputes across a range of intergovernmental issues. c) Promote both interprovincial and federal-provincial solutions to improve the efficiency and effectiveness of the federation through the reduction of overlap and duplication between governments, the reform of institutions (e.g., the Senate) and the reform of financial arrangements (fiscal rebalancing). d) Promote federal-provincial solutions to redesign federal-provincial financial arrangements including the Canada Health and Social Transfer (CHST), Equalization and cost-sharing arrangements. e) Develop agreements and processes to ensure that no new national programs in areas of provincial jurisdiction are developed without provincial consultation and approval.
2.3 Effective leadership by Alberta that supports a strong and united Canada.	a) Develop policy recommendations and strategies on national unity and other related issues as they emerge.
2.4 Expanded Canadian internal trade liberalization which promotes the free flow of goods, services, capital and labour across Canada.	a) Remove or reduce barriers to internal trade, investment and labour mobility through direct negotiation with the federal government and other provinces and territories. b) Consult and work with private and public sector organizations to pursue the benefits of free trade. c) Manage government-wide implementation of the Agreement on Internal Trade (AIT). Anticipate and prevent disputes. d) Coordinate Alberta participation in the Agreement on Internal Trade (AIT). e) Manage disputes and defend Alberta's interests in the AIT. f) Work with other Canadian governments to reduce the use of investment incentives, which fiscally skew business decisions.

PERFORMANCE MEASURES/INDICATORS

International and Intergovernmental Relations has several methods of measuring its performance, including the following:

1. Reports on Department Performance
2. Client Satisfaction Surveys
3. Intermediate Outcomes
4. Secondary Indicators
5. Public Polling Data

1. REPORTS ON DEPARTMENT PERFORMANCE

Previous department business plans have acknowledged that many of the department's outcomes are long term, frequently dependent on factors outside the control of the department (i.e., obtaining agreement of other governments), and difficult to present as quantitative data. In order to ensure clear reporting on departmental performance while keeping in mind the limitations faced in developing such data, the department provides a detailed narrative record of its achievements and activities. This narrative is found in International and Intergovernmental Relations' Annual Reports. The Reports document the department's accomplishments for each goal and provide a narrative outlining events and outcomes over the previous year.

In addition to the Annual Report, other assessments are done from time-to-time on key initiatives. They may include reports issued after the conclusion of major conferences, trade negotiations or missions to assess how Alberta fared in achieving its objectives.

2. CLIENT SATISFACTION SURVEYS

Another measure of outcomes for International and Intergovernmental Relations is stakeholder or client satisfaction. To achieve its goals, the department works closely with Alberta ministers, ministries, and other organizations in the province. Through periodic surveys, the department consults these clients for their evaluation of the department's contribution to advancing Alberta's priorities and positions.

Client Surveys are an important component of the department's mix of measurement tools. The 2001 Client Survey indicated that clients, both internal to government and external clients, consistently rate the department at a high level of satisfaction with the services provided. The 2001 Client Survey was the fourth broad survey completed by the department. Earlier surveys, completed in 1995, 1997, and 1999, indicated a level of satisfaction of close to 4 out of 5. The 2001 survey results were similar, with a target level of 4 out of 5 achieved in virtually all areas of services provided.

3. MEASURING INTERMEDIATE OUTCOMES

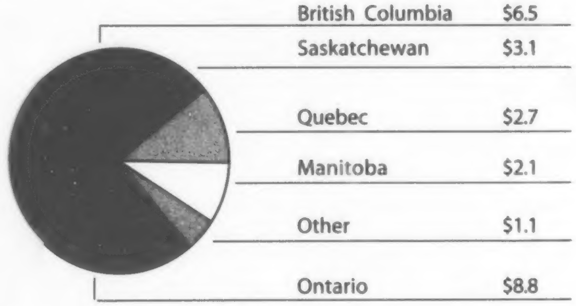
In order to track intermediate outcomes relating to major projects, the department prepares status reports or contributes to reports prepared by others. Since these projects are multi-year, preparing regular progress reports or measuring intermediate outcomes allows governments and taxpayers to keep track of the progress of particularly complex, long-term issues. Examples of this approach are:

- regular status reports that measure the implementation of the Agreement on Internal Trade and the progress of complaints and disputes under that agreement;
- regular Progress Reports to Premiers by the Provincial/Territorial Council on Social Policy Renewal; and,
- communiqués from annual meetings of Premiers.

These reports are posted on the International and Intergovernmental Relations departmental website: **http://www.iir.gov.ab.ca**. In addition, the website includes updates on preparations for and progress in domestic and international trade negotiations (e.g., WTO and the AIT). The website also provides an opportunity for reaction and comments from the business community and the public.

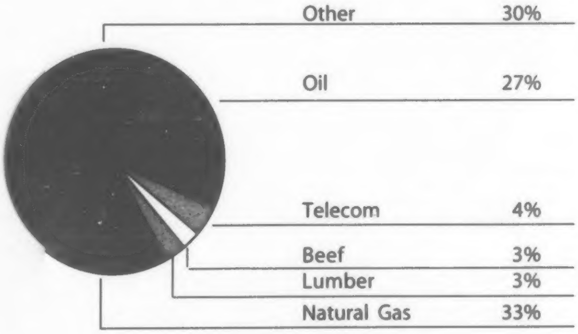
ALBERTA'S INTERPROVINCIAL EXPORTS OF GOODS AND SERVICES

(in billions of dollars)



Source: *Statistics, Canada, 2000*

ALBERTA'S TOP EXPORTS TO THE UNITED STATES



Source: *Statistics, Canada, 2000*

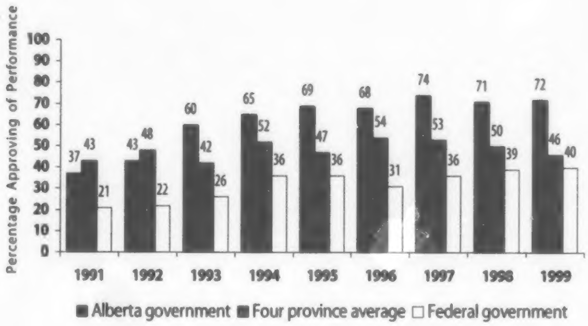
4. SECONDARY INDICATORS

The department reports on a number of secondary indicators that track macroeconomic trends. While these are not direct measures of the department's performance, they do provide an indication of the environment in which the department is operating.

Trade statistics, for example, track how the province is faring in export performance. However, it must be emphasized that export performance cannot be attributed to any one factor. Rather it is the result of a number of interconnected factors. In some cases, exports increase because of fluctuations in the world price for commodities such as oil, gas or wheat, or in the value of the Canadian dollar.

In other cases, Alberta's trade performance reflects the aggressiveness of the private sector in opening up new markets. Some of the increase may be attributed to the efforts of the Government of Alberta to remove barriers to trade in key markets, or to the government's efforts to open doors in key foreign markets for Alberta businesses through targeted trade missions or by receiving foreign visitors.

APPROVAL RATINGS: FEDERAL-PROVINCIAL RELATIONS



Source: Environics 1991-1999

5. PUBLIC POLLING DATA

An important measure of how the Alberta government is performing in the areas of both international and intergovernmental relations is public polling data that measures the performance of the provincial government based on the satisfaction level of Albertans. The polling data does not specifically rate the performance of the department, but tracks the performance of the whole government. However, the department does play an important role in supporting the Premier and his cabinet colleagues in achieving intergovernmental goals. The polling data is based on a regular national opinion poll conducted by Environics Canada, surveying the views of Canadians regarding the performance of their provincial and federal governments. This is reported in the *Focus Canada Report.*

Alberta's target is to maintain the government's public approval rating in federal-provincial relations on a par with the average of four other provinces (British Columbia, Saskatchewan, Manitoba, and Ontario). These are the provinces closest to Alberta in terms of geography, history, economic base, social patterns and approaches to federalism. Alberta's intergovernmental approval rating in 1999 was 72 per cent (see graph at top left). The four province average was 46 per cent and the federal government rating was 40 per cent.

GOVERNMENT-WIDE GOALS

Much of the Ministry's work relates to Goal 19 of the Government Business Plan for 2001-04:

Goal 19: Alberta will work with other governments and maintain its strong position in Canada.

As well, the Ministry strategies contribute to the realization of the following government-wide goals:

Goal 2: Our children will be well cared for, safe, successful at learning and healthy (IIR outcome 2.2)

Goal 7: Alberta will have a prosperous economy (IIR outcomes 1.1, 1.2, and 2.4)

Goal 8: Our workforce will be skilled and productive (IIR outcomes 1.2 and 2.4)

Goal 10: Alberta's value-added industries will lead economic growth (IIR outcomes 1.1, 1.2 and 2.4)

Goal 14: Alberta businesses will increase exports (IIR outcomes 1.1, 1.2 and 2.4)

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Intergovernmental Relations	5,269	6,082	6,082	6,104	6,202	6,307
MINISTRY EXPENSE	5,269	6,082	6,082	6,104	6,202	6,307

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Other Revenue	42	-	10	-	-	-
MINISTRY REVENUE	42	-	10	-	-	-
EXPENSE						
Program						
International and Intergovernmental Relations	5,224	6,082	6,082	6,104	6,202	6,307
Valuation Adjustments and Other Provisions	45	-	-	-	-	-
MINISTRY EXPENSE	5,269	6,082	6,082	6,104	6,202	6,307
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(5,227)	(6,082)	(6,072)	(6,104)	(6,202)	(6,307)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	42	-	10	-	-	-
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	42	-	10	-	-	-
Ministry Program Expense	5,269	6,082	6,082	6,104	6,202	6,307
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**5,269**	**6,082**	**6,082**	**6,104**	**6,202**	**6,307**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(5,227)	(6,082)	(6,072)	(6,104)	(6,202)	(6,307)

APPENDIX: FRAMEWORK FOR INTERNATIONAL STRATEGIES

International and Intergovernmental Relations contributes to the successful achievement of all the cross ministry initiatives that have been identified as priorities for the Government of Alberta. The department also co-champions one of the routine/maintenance initiatives relating to the development of the International Strategy.

In February 2000, the Government of Alberta released Alberta's Framework for International Strategies. The Framework outlines Alberta's three international core businesses:

- Building International Relations
- Removing Trade and Investment Barriers
- Marketing Trade, Tourism and Investment

As co-champion, International and Intergovernmental Relations will work closely with other departments to ensure that Alberta's international policies are coordinated, and that international programs and strategies are consistent with the recently adopted Framework for Alberta's International Strategies.

FV

Justice

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

David Hancock, *Minister of Justice and Attorney General*
April 10, 2001

INTRODUCTION

Living, working and raising their families in safe communities is a top priority for Albertans and their provincial government. Through the goals and strategies of this 2001-2004 Business Plan, Alberta Justice remains committed to building a justice system that is efficient, effective and responsive to the needs of all Albertans. The direction Albertans provided us at the Justice Summit in 1999 continues to be the focus of the business plan. Through recent efforts to enhance community partnerships, protect victims, support the needs of families and children, and improve public knowledge and awareness, Alberta Justice has already implemented several key recommendations from the summit. We will continue to consult with the public and will consider their input in developing future goals.

During the next three years, Alberta Justice will continue to find ways to improve the way we do business and make the best use of resources. We will strengthen our partnerships with the judiciary, the legal community, Aboriginal people and our stakeholders in policing, community organizations, and local governments.

PLANNING ENVIRONMENT

Alberta Justice has considered the following environmental factors in setting out our strategic objectives for 2001-04:

Social and Economic Change: Common-law and single-parent families increased 22% and 12% between 1991 and 1996. More children are experiencing parental separation and growing up in non-traditional families. These trends will continue to contribute to an increase in the number of people accessing family courts, mediation services and parenting after separation courses.

Alberta's strong and vibrant economy continues to attract new residents from all over the world. Our cosmopolitan society is made up of many cultures and languages. It is important that the justice system be available, understandable and more sensitive to cultural diversity.

Demographics: Canada's population is aging. As life spans increase, so does the proportion of elderly who have a heightened susceptibility to and fear of crime.

Canada's Aboriginal population is growing twice as fast as the country's total population and it is proportionally younger. Between 2000 and 2011, the Aboriginal population is projected to increase by 22%, versus 12% for Alberta's total population. In Alberta, Aboriginal people represent approximately 6% of the total population and 36% of the prison population. Alberta Justice will work with the Alberta Solicitor General to address the challenge of delivering services to Aboriginal people that will support community development and reduce the number of Aboriginal people coming into conflict with the law.

Alberta Justice will work with other stakeholders to promote safe Aboriginal communities, and will partner with municipalities, non-governmental organizations, other government departments, Aboriginal peoples, and organizations to deal with urban Aboriginal issues.

Justice is a Shared Responsibility: Justice is a shared responsibility between federal and provincial governments. While the provincial Legislature is responsible for the administration of justice, the federal Parliament is mainly responsible for criminal law. The provincial and federal governments must work together to provide Canadians with a safe and secure country. However, federal legislation as well as judicial decisions can impose new obligations on the ministry that must be managed. In addition, the courts are constitutionally independent entities and both federal and provincial governments have a responsibility to provide the necessary resources for their effective administration.

Public Confidence: Public confidence in the Ministry of Justice drops as the public's fear of crime increases. There is more widespread and immediate access to crime event information through the media, which in turn increases the fear of crime. There was a 3.3% decrease in the violent crime rate and a 3.5% drop in the property crime rate between 1998 and 1999. Although Alberta's crime rates remain the lowest in western Canada, there remains a public perception that crime rates are rising. In addition, increasingly complex criminal and civil cases require greater time and resources to resolve. Alberta Justice must, through the many programs and services that it provides, continue to promote the public's confidence in the justice system.

Technology and Globalization: Technology has facilitated the rapid movement of people, capital and information. While this has resulted in a global economy, it has also produced crime that is global in scope. The challenge for the ministry will be to partner with national and international enforcement agencies to produce a credible response to complex global economic and organized crime. New technology also creates opportunities for innovative approaches to increase accessibility and improve the efficiency of the justice system in Alberta. The cost of implementation is a hurdle that must be overcome.

ALBERTA JUSTICE VISION, MISSION AND CORE BUSINESSES

Our vision is a democratic and prosperous Alberta based on respect for the law, where all Albertans are safe in their homes and communities and have confidence in the justice system, and where disputes are resolved fairly and effectively.

Our mission is to serve Albertans by promoting safe communities, by ensuring access to the courts and other methods of dispute resolution, by providing legal and related strategic services to the Government of Alberta, and by communicating with Albertans about the administration of justice.

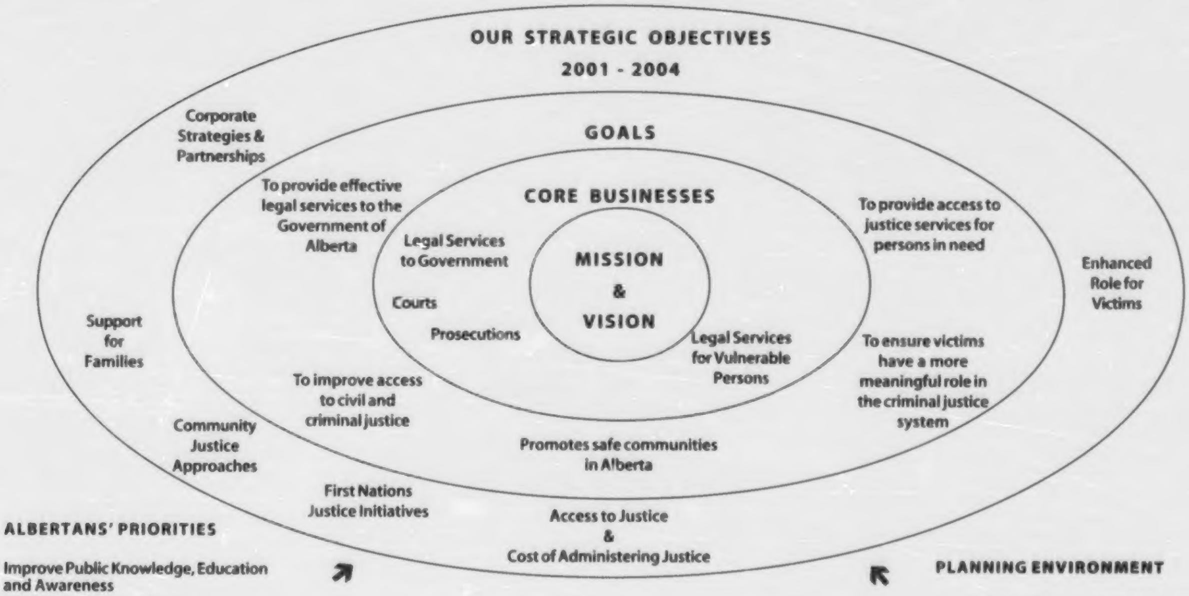
CORE BUSINESSES

The following core businesses are intended to reflect the primary responsibilities of the ministry and those organizations that report to the Minister:

- ***Prosecutions:*** prosecute criminal and other offences, giving priority to the prosecution of serious and violent crime.
- ***Courts:*** provide Albertans access to the courts and other dispute resolution processes.
- ***Legal Services to Government:*** provide excellent corporate advice and legal services to government ministries.
- ***Legal Services for Vulnerable Albertans:*** provide support and protection to some of Alberta's most vulnerable citizens, such as families who depend on court-ordered maintenance payments, individuals unable to protect their financial interests, and individuals who cannot afford legal counsel.

Successful implementation of the ministry's strategic objectives requires the coordinated interaction of our core businesses. In addition, we recognize that safe communities are a shared responsibility and, over the next three years, we will be working to develop and enhance the partnerships required to achieve results in each of these core business functions, as well as working through education and communication strategies to improve public knowledge and understanding about the administration of justice.

ALBERTA JUSTICE BUSINESS FRAMEWORK


OUR STRATEGIC OBJECTIVES
2001 - 2004
Corporate Strategies & Partnerships
Support for Families
Community Justice Approaches
First Nations Justice Initiatives
Access to Justice & Cost of Administering Justice
Enhanced Role for Victims
GOALS
To provide effective legal services to the Government of Alberta
To improve access to civil and criminal justice
Promotes safe communities in Alberta
To ensure victims have a more meaningful role in the criminal justice system
To provide access to justice services for persons in need
CORE BUSINESSES
Legal Services to Government
Courts
Prosecutions
Legal Services for Vulnerable Persons
MISSION & VISION

ALBERTANS' PRIORITIES

Improve Public Knowledge, Education and Awareness
Simplify the Justice System
Increase Sensitivity and Cultural Awareness
Enhance Community Partnerships
Increase the Role of Victims
Clarify Accountability
Take Action on Previous Studies and Reports on Justice
Increase Funding
Create Alternatives in the Youth Justice System

PLANNING ENVIRONMENT

Social and Economic Change
Demographics
Justice as a Shared Responsibility
Public Confidence
Technology and Globalization

March 23, 2001

GOALS AND STRATEGIC OBJECTIVES

GOALS

In delivering our core businesses, Alberta Justice is committed to fulfilling its vision, mission and mandate through five business plan goals. The Alberta Government's priority is preserving a safe society for Albertans where justice prevails.

1. **Promote safe communities in Alberta.**

   Albertans have told us that they want peaceful communities in which they can live, work and raise families in safety and security without fear of crime or victimization. While each goal is important, virtually everything Justice does is tested against this goal.

2. **Ensure victims have a more meaningful role in the criminal justice system.**

   Recognizing the needs of the victim in the criminal justice system helps restore the balance of society in a humane and fair way and is an important goal of our justice system. Helping victims achieve closure is an essential part of restoring their feeling of safety in the community. Alberta Justice is committed to providing effective services to victims of crime and expanding the role of the victim in the criminal justice system.

3. **Provide access to justice services for Albertans in need.**

   Albertans require access to a broad range of justice services including courts, prosecutorial services and appropriate dispute resolution mechanisms. In addition, services such as maintenance enforcement, estate and trust administration services, victim assistance, and legal aid are an important part of preserving a safe society for Albertans where justice prevails.

4. **Improve access to civil and criminal justice.**

   The justice system is responsible for providing the infrastructure to resolve criminal and civil disputes. This includes the provision of court resources; scheduling mechanisms; prosecutorial services and appropriate dispute resolution mechanisms. Where appropriate, mediation, judicial dispute resolution and mini-trials are used as alternatives to the traditional court process, and by speeding up the process and lowering costs, they can improve access.

5. **Provide effective legal services to the Government of Alberta.**

   The government performs a number of roles as service provider, community partner and lawmaker. These roles involve relationships with individuals, families, communities, businesses and other governments. Effective legal services reduce the potential for conflict involving the government and protect and advance the interests of the government. By providing strategic corporate advice, Justice can assist other ministries in achieving their policy objectives, while minimizing conflict and constitutional questions.

STRATEGIC OBJECTIVES

For this planning period, Alberta Justice will focus on a number of key strategic objectives, which will improve the delivery of our core businesses in a manner that honors the priorities of Albertans. These strategic objectives are:

Access to Justice and Cost of Administering Justice:
Albertans have expressed strong views about the functioning of the courts and trials process. They are of the view that the complexity of the present justice system results in court delays; victims should have a more meaningful role; the system should move to a more restorative approach which would make offenders more directly accountable to the community and to the individuals victimized by the crime; and accessibility of the justice system for family law matters should be simplified.

*Access to Justice and Cost of Administering Justice is one of the principal means by which we will achieve **Goal 3** – To provide access to justice services for Albertans in need; and **Goal 4** – To improve access to civil and criminal justice.*

Early Case Resolution: The anticipated outcome of this strategic objective is earlier case resolution and improved services, consistent with the constitutional obligations of the province to provide for the courts in Alberta. Resolution may include a restorative form of diversion, an alternative measure or an early guilty plea. This strategy will be accomplished in part by having experienced Crown Prosecutors at the earliest possible time:

- Screen police reports to determine if the case meets the criteria for prosecution and, if so, whether an alternative measure or other restorative approach is appropriate.

- Assess the appropriate resolution of those cases that are to proceed in the court system and pursue the possibility of an early guilty plea or the reduction of unnecessary witness attendance through discussions with defense counsel.

Alternative Dispute Resolution: Public confidence in the justice system also depends upon providing access to citizens for the resolution of civil disputes. Currently, mediation programs operate in Provincial Court, Civil Division in Edmonton and Calgary. The Court of Queen's Bench, and Provincial Court, Family and Youth Division, are currently providing Judicial Dispute Resolution processes, which allow many parties to settle their cases without a trial.

Legal Aid: There are two planned initiatives that will be put in place by Legal Aid.

- Expansion of the financial eligibility guidelines so that legal aid will be accessible to more Albertans; and
- Establishment of a Family Law Staff Counsel Pilot Project in Edmonton and Calgary, which will provide quality legal services to eligible legal aid applicants in the family law areas currently provided by Legal Aid.

Improving Public Understanding and Knowledge about the Justice System: The Justice Summit repeatedly highlighted the need to improve communication with the public regarding the administration of justice. It recommended that greater efforts be made to ensure that citizens understand how their justice system works, and why and how decisions are made by the various components of the system.

An education strategy will identify gaps in current programs and resources aimed at helping Albertans understand the justice system, and develop and implement strategies that address some of these needs in partnership with our justice stakeholders.

Justice will also continue to expand the education material in their comprehensive web site which was introduced in 2000.

Over the period of this plan, Alberta Justice will complete policy development work and make a recommendation to government with respect to class action legislation that would provide procedural rules to allow for multiple plaintiffs or defendants in one action, while safeguarding against proliferation of actions. Alberta Justice will also recommend that an updated, modernized Act be brought forward to replace the current *Public Trustee Act,* and that amendments be made to the *Trustee Act* to adopt the "prudent investor" rule. Proposals for a comprehensive set of procedural rules for administrative tribunals will be developed. As well, Alberta Justice will bring forward proposals for an Act providing for streamlined procedures for recognizing judgments from other Canadian jurisdictions and a more restrictive regime for recognition of foreign judgments, and determining jurisdiction over a case capable of being heard in more than one jurisdiction.

Support for Families:
Family law principles should be easily understood and responsive to the needs of Alberta families. As well, these principles should be readily available for application and enforcement.

*Improving support for families through family law reform and services contributes to the achievement of **Goal 4** by improving access to civil justice.*

- Through a process of review and multi-level consultation, reforms to family law, the court structure and process will be proposed. A Unified Family Court Task Force has made recommendations for improvements to the existing family court system and how services can be most effectively linked to it.

- Justice will continue to work with the Ministry of Children's Services to ensure that the Maintenance Enforcement Program, family mediation services and other child focused programs continue to provide children with timely and appropriate assistance. Family Mediation Services will be expanded in the upcoming year.
- As part of its ongoing commitment to work with other ministries to address family violence, Alberta Justice will continue to participate in the Calgary Domestic Violence Court pilot project, and support other initiatives around the province. Alberta Justice will also collaborate with other ministries to support the Alberta Mental Health Board as they develop and implement a provincial framework to address the treatment needs of perpetrators of family violence.

Alberta Justice will bring forward proposals for a *Family Law Reform Act* consolidating and amending Alberta family law to make it more accessible and relevant to Albertans and will review legislation to implement changes to Family Courts if necessary.

Enhanced Role for Victims:
The Summit recommended that victims become more involved in all stages of the resolution of a criminal act. Where appropriate, and where the victim voluntarily participates, the community justice process will involve the offender and will provide the victim with an opportunity for closure and healing.

*Enhanced involvement of victims in the criminal justice process is a principal means by which we will achieve **Goal 2** - To ensure victims have a more meaningful role in the criminal justice system.*

- Public Assistance Units: To ensure that victims have a more meaningful role in the early case disposition initiative and in the conduct of prosecutions generally, Crown Offices are establishing specialized public assistance units where appropriate. The units will provide information, referrals and assistance with victims' needs, including restitution and victim impact statements.

Alberta Justice will develop policy and make recommendations for an Act to provide for a civil process to provide restitution to victims from gains from unlawful activity.

Community Justice Approaches:
Delegates at the Summit on Justice acknowledged that prison sentences for certain types of crime are an effective and necessary option. However, they also recommended that increased effort should be made to hold offenders directly accountable, through the use of "restorative justice" processes, to the community and the individuals who have been harmed by their actions.

*Community Justice Approaches are some of the principal means by which we will achieve **Goal 2** - To ensure victims have a more meaningful role in the criminal justice system; and **Goal 4** - To improve access to civil and criminal justice.*

- A new Community Justice Policy commits Alberta Justice to working in partnership with all stakeholders and other government ministries to make restorative justice options more widely available in the province. This policy enhances the Serious and Violent Crime Initiative by providing more opportunities for victims, should they choose, to become more directly involved in the criminal justice process and by providing more options for offenders to take responsibility for their actions.

- The victims and perpetrators of family violence will receive focussed attention in the pilot Calgary Family Court Initiative. Court, judicial, prosecutorial, enforcement and treatment resources are dedicated to the issue of family violence and outcomes will be monitored to gauge effectiveness.

First Nations Justice Initiatives:
It has been a long-term objective of Alberta Justice to enable First Nations to address community law and order concerns. In this respect the Summit has noted, and the ministry agrees, that First Nations should ultimately provide services to their communities that are comparable to other similar communities in the province.

*First Nations Justice Initiatives is one of the principal means by which we will achieve **Goal 1** - To promote safe communities in Alberta; and **Goal 2** - To ensure victims have a more meaningful role in the criminal justice system.*

- Alberta Justice will continue to promote culturally sensitive approaches to prosecutions. This will include developing the mandate of native liaison prosecutors in the coming year, enhancing existing aboriginal awareness programs and improving the access of these programs to staff involved in conducting prosecutions.
- Continue to support court initiatives (Tsuu T'ina Nation Court Initiative, Aboriginal Judges, Sikiska Nation – and others).

PERFORMANCE MEASURES

We continue to work on improving our business plan performance measures. This work includes finding better ways to measure achievement of desired outcomes through both qualitative and quantitative analyses. The following performance measures will reflect the results achieved for each of the ministry's business plan goals.* Targets for 2001-02 have not been adjusted from 2000-01 levels where performance is viewed as being at an appropriate level of excellence, and maintaining the current level of performance represents a significant challenge for the ministry.

* In the following tables, actual results are reported for the years 1997-98, 1998-99 and 1999-00. For 2000-01 the number reported is the target that was set in the 2000-01 Business Plan. At the time when the 2000-01 targets were set, the most recent actual figures available were from 1998-99. This accounts for some of the historical variation in numbers.

GOAL 1: PROMOTE SAFE COMMUNITIES IN ALBERTA

Performance Measure: To be developed.

GOAL 2: ENSURE VICTIMS HAVE A MORE MEANINGFUL ROLE IN THE CRIMINAL JUSTICE SYSTEM

Performance Measure: To be developed.

GOAL 3: PROVIDE ACCESS TO JUSTICE SERVICES FOR ALBERTANS IN NEED

Performance Measure: The amount collected on Maintenance Enforcement Program files.

The fundamental objective of the program is to collect court ordered child maintenance for clients. Dollars collected per file is a reasonable indicator of the program's effectiveness in this regard.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
$2,931.16	$2,912.00	$3,025.00	$3,010.00	$3,025.00

Performance Measure: Client satisfaction with the Services of the Public Trustee's Office

This measures client satisfaction with services provided by the Public Trustee's Office. It is defined as the percentage of "satisfied" to "very satisfied" clientele from a survey conducted by the Public Trustee.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
86%	88%	85%	85%	85%

Performance Measure: Number of Eligible Albertans Receiving Legal Aid Services

Legal aid volume measures the demand for legal aid. It is defined as the number of eligible people receiving legal aid services. The Legal Aid Society collects and analyzes data for this measure.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
86,985	91,597	97,256	94,177	105,968

GOAL 4: IMPROVE ACCESS TO CIVIL AND CRIMINAL JUSTICE

Performance Measure: Median Elapsed Time from First to Last Appearance

This measures the median elapsed time in days that it takes to process a case in Provincial Criminal Court from first to last appearance. Time to trial has been negatively impacted by increased volumes and greater case complexity. Performance data for this measure is obtained from the Adult Criminal Court Survey, Canadian Centre for Justice Statistics.

1997-1998	1998-1999*	1999-2000 Target*	2000-2001 Target*	2001-2002 Target*
76	80	Canadian Median	Canadian Median	Canadian Median

* The 1998-99 national median elapsed time was 84 days. National data for 1999-2000 is not available at this time.

GOAL 5: PROVIDE EFFECTIVE LEGAL SERVICES TO THE GOVERNMENT OF ALBERTA

Performance Measure: Client Satisfaction with Legal Services

This measures the level of satisfaction that client ministries have with the legal services of Alberta Justice. The data is obtained from surveys conducted by Legal Services Division.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
92%	90%	95%	90%	95%

KEY CROSS MINISTRY INITIATIVES AND CORPORATE STRATEGIES

Alberta Justice has identified several ministry-wide corporate strategies to develop effective support mechanisms to facilitate the achievement of Justice business plan goals. In addition, Alberta Justice is a partner with shared responsibilities within the government in many initiatives that seek to improve the quality of services to the public in areas not traditionally associated with the administration of justice. We will continue to champion or participate in collaborative efforts that support government-wide initiatives.

Aboriginal Policy Initiative: The economic and social well being of Aboriginal people and communities in Alberta does not compare favourably with that of other Albertans. These factors contribute to the over-representation of Aboriginal people in the criminal justice system, as victims and offenders. Alberta Justice, as a co-champion of the cross ministry priority Aboriginal Policy Initiative, will work with other ministries to develop targets and strategies that promote safe Aboriginal communities, and support economic and social stability through capacity building and self-reliance initiatives.

Children and Youth Services Initiative: Alberta Justice will work towards implementation of the recommendations arising from the Children's Forum and the Premier's Task Force on Children at Risk. Alberta Justice will vigorously defend the Protection of Children Involved in Prostitution Act and provide ongoing family law support to the Child and Family Services Authorities.

Three-Year Legislative Plan: Alberta Justice will bring forward proposals for family law legislation as recommended by MLA committee; review recommendations for legislative changes contained in reports of the Alberta Law Reform Institute and the Uniform Law Conference; and review legislation administered by Alberta Justice to ensure that legislation continues to be relevant and necessary.

Human Resource Strategies: Alberta Justice will ensure appropriate linkages between corporate direction and ministry implementation. The ministry human resource plan will address both achievement bonus criteria and corporate human resource plan goals. The measurement criteria will be based upon the provision of supports and strategies for continuous learning, the use of effective performance management processes, the implementation of leadership development and continuity strategies, employee satisfaction data and effective processes for management of change and reorganization. Additional priorities will include classification and collective bargaining as well as the employee human resource self-service project, AGent.

Information Management: In order that an effective information management system is in place to support the mandate of Alberta Justice, the following steps will be undertaken. An overall data architecture will be prepared. Alberta Justice will work with other Alberta government ministries and national organizations to ensure that our management information conforms to provincial and national standards. Alberta Justice will continue the process of consolidating a collection of separately designed, loosely interfaced systems to a more integrated suite of systems where data is stored more consistently and without redundancies. The resulting information management system will have the flexibility to analyze and understand new and emerging issues.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Courts	85,832	106,772	106,766	89,262	90,243	92,445
Legal Services to Vulnerable Persons	66,739	74,634	74,630	81,683	82,500	84,182
Prosecutions	25,832	28,863	28,862	29,111	29,586	30,303
Legal Services to Government	17,699	18,942	18,942	20,233	20,519	20,940
MINISTRY EXPENSE	196,102	229,211	229,200	220,289	222,848	227,870

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Transfers from Government of Canada	8,158	7,944	7,964	8,158	8,135	6,855
Investment Income	307	325	325	325	325	325
Premiums, Fees and Licences	34,857	28,274	30,116	30,161	30,187	30,202
Other Revenue	43,253	63,547	58,872	42,697	42,697	42,697
MINISTRY REVENUE	86,575	100,090	97,277	81,341	81,344	80,079
EXPENSE						
Program						
Ministry Support Services	11,053	13,626	13,615	12,546	12,550	12,719
Court Services	80,625	100,157	100,157	84,027	85,010	87,134
Legal Services	49,541	53,315	53,315	56,640	56,605	57,794
Support for Legal Aid	20,742	22,542	22,542	27,242	28,642	29,942
Public Trustee	6,911	7,272	7,272	7,433	7,584	7,797
Medical Examiner	3,998	4,138	4,138	4,441	4,490	4,511
Motor Vehicle Accident Claims	22,388	27,588	27,588	27,587	27,594	27,600
Valuation Adjustments and Other Provisions	844	573	573	373	373	373
MINISTRY EXPENSE	196,102	229,211	229,200	220,289	222,848	227,870
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(109,527)	(129,121)	(131,923)	(138,948)	(141,504)	(147,791)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	86,575	100,090	97,277	81,341	81,344	80,079
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	86,575	100,090	97,277	81,341	81,344	80,079
Ministry Program Expense	196,102	229,211	229,200	220,289	222,848	227,870
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**196,102**	**229,211**	**229,200**	**220,289**	**222,848**	**227,870**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(109,527)	(129,121)	(131,923)	(138,948)	(141,504)	(147,791)

Learning

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Dr. Lyle Oberg, *Minister of Learning*
April 10, 2001

INTRODUCTION

Alberta Learning is committed to providing Albertans with the best possible learning opportunities required for future success. By working together with partners and stakeholders from across the learning system, the Ministry has set out a long-term direction for achieving a culture of lifelong learning, supported by a system that is responsive, accessible and affordable to all Albertans.

The 2001-04 Business Plan outlines this long-term direction through specific Ministry goals, outcomes and strategies for achieving them. As we move further into the 21st century, Alberta Learning looks forward to continued work with all partners and stakeholders to ensure these goals and strategies continue to best support the changing needs of learners.

VISION

Optimizing human potential.

MISSION

Alberta Learning's leadership and work with partners build a globally recognized lifelong learning community that enables Albertans to be responsible, caring, creative, self-reliant and contributing members of a knowledge-based and prosperous society.

PRINCIPLES

Learner centered – by focusing the business of the lifelong learning system on the learner.

Accessible – by providing Albertans with access to quality learning opportunities.

Collaborative – by working with partners and stakeholders to develop seamless lifelong learning.

Accountable – by ensuring system and fiscal accountability.

Responsive – by creating a flexible learning system that meets and anticipates learner need.

Innovative – by implementing the latest global learning and technology solutions.

Equitable – by providing equitable access to lifelong learning opportunities.

VALUES

Respect

Integrity

Trust

Openness

Caring

CORE BUSINESSES

Core Delivery Divisions

Learning Services and Standards refers to Alberta Learning's three core delivery divisions — Basic Learning, Apprenticeship and Industry Training, and Adult Learning. These divisions work closely to ensure program continuity and smooth transitions for learners.

CORE BUSINESS STATEMENT	ONGOING INITIATIVES
Basic Learning	**Basic Learning Division**
• Develop curriculum and set standards	• Continue review of the curriculum to ensure it meets the needs of Albertans.
• Evaluate curriculum and assess outcomes	• Develop and/or identify resources and services to support learning in both official languages.
• Certify teachers	• Ensure that Alberta's teachers are certificated and are equipped with the knowledge, skills and attributes needed to positively support students in meeting the standards of the ministry.
• Support students with special needs	• Work with school authorities to enhance and support the development of programs for students with diverse learning and cultural needs.
• Fund school authorities	• Develop and implement effective policy, regulation and legislation consistent with government directions.
Apprenticeship and Industry Training	**Apprenticeship and Industry Training Division**
• Develop program standards with industry	• Support industry development of standards, course outlines, examinations and research and development of new initiatives for delivery of training in the trades. • Respond to industry needs for new trades and enhanced training programs. • Provide leadership and support in interprovincial mobility initiatives.
• Counsel apprentices and employers	• Assist apprentices and employers with registration and provide consultation and technical services throughout apprenticeship programs. • Support the industry advisory network. • Promote apprenticeship in collaboration with industry and learning stakeholders.
• Provide funding for approved programs	• Forecast training needs and work with institutions to coordinate technical training.
• Certify learners	• Verify work experience and training, administer exams and issue certificates.
Adult Learning	**Adult Learning Division**
• Fund educational providers, including research	• Provide funds to public institutions through operational and envelope funding, and grants to Community Adult Learning Councils, consortia and adult literacy programs.
• Provide student financial assistance to Albertans who require it to learn	• Process applications and provide information to Albertans applying for student loans, grants and scholarships.
• Approve programs of study	• Approve programs and mandates for public post-secondary institutions.
• License and certify educational providers	• Recognize and approve degree and vocational programs offered by private and non-resident institutions. • Provide learning opportunities through immigrant settlement, English as a Second Language, community adult learning and literacy programs. • Evaluate and recognize prior credentials of new Albertans.

Integrating and Supporting Divisions

The integrating and supporting divisions provide services that, by nature, focus on ministry-wide operations and facilitate integration and accountability across all divisions.

CORE BUSINESS STATEMENT	ONGOING INITIATIVES
• Be learner focused • Be flexible, responsive and innovative • Promote seamless transitions and lifelong learning • Optimize mobility and transferability • Establish and maintain effective partnerships and linkages	*(reflected in all departmental core businesses)*
• Provide system-wide planning, policy and information management	**Information & Strategic Services** Prepares the Ministry and learning system to anticipate and respond to emerging environment, issues and changes in direction by providing policy options, planning, information management and structure that allows the department to analyze, plan, communicate process and assist on strategic issues. Provides support for technology application in the department, learning technologies and Stakeholder Technology Task Group.
• Evaluate performance and foster continuous improvement • Assess curriculum outcomes and certify learner achievement	**System Improvement & Reporting** Facilitates ongoing improvement and ensures accountability throughout the Ministry and learning system by conducting applied research and leading the development of accountability frameworks, performance indicators, measures and targets. Develops and administers provincial Achievement Tests and Diploma Examinations, providing individual, school, jurisdiction and provincial level results as well as administering General Educational Development Tests to adult learners.
• Ensure system and fiscal accountability	**Corporate Services** Corporate services are provided in the areas of human resources, legal services, administration, financial services, corporate records management, and print management. To enhance students' learning, the Division buys, sells, produces, and distributes learning resources as well as acquires and loans special format materials and equipment for the visually impaired.
• Share information and achievements	**Communications** Works with the Ministry to provide useful, timely and clear information to Albertans on achievements in the learning system. Provides strategic communications advice and planning services. Provides specialized writing and editing skills. Represents the Ministry to the public and media. Facilitates effective two-way communications with Ministry staff and partners.

KEY PARTNERSHIPS

Alberta Learning worked with partners and stakeholders to develop the 2001-04 Business Plan and will continue to work with partners in the implementation of the plan. To address the multi-faceted needs of learners, Alberta Learning partners with ministries across government, industry, professional and community associations, boards, committees and councils associated with learning.

GOALS FOR ALBERTA'S LEARNING SYSTEM

The goals for Alberta's learning system outline government's ongoing aims and directions over the long-term. To maintain a high-functioning society and prosperous economy, Alberta's learning system must: provide quality programs that are responsive, flexible, accessible and affordable; enable learners to demonstrate high standards; prepare learners for lifelong learning, work and citizenship; develop and maintain effective relationships with partners; and operate responsively and responsibly. These five goals support government's core businesses of people, prosperity and preservation and related goals.

LINKAGES TO GOVERNMENT'S CORE BUSINESSES AND GOALS

Government Core Businesses

People ... The goals are directed at improving the quality of life in Alberta for individuals and their families through the government's priorities for health, education, our children, those in need, and Aboriginal Albertans.

Prosperity ... The goals focus on protecting the quality of life in Alberta through the government's priorities for our economy, work force and work places, infrastructure, value-added industries, export trade, and financial and fiscal position.

Preservation... The goals reflect the government's priorities for community safety, our renewable resources, the environment, our natural, historical and cultural resources, and Alberta's relations with other levels of government.

Government Goals Related to the Learning System

- Our children will be well cared for, safe, successful at learning and healthy.
- Alberta students will excel.
- Albertans will be independent.
- The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.
- Alberta will have a prosperous economy.
- Our workforce will be skilled and productive.
- Alberta businesses will be increasingly innovative.
- Alberta will have effective and efficient infrastructure.
- Alberta will have a financially stable, open and accountable government.
- Alberta businesses will increase exports.
- Alberta will work with other governments and maintain its strong position in Canada.

Goals for the Learning System

High Quality Learning Opportunities

- Responsive and Flexible
- Accessible
- Affordable

Excellence in Learner Achievement

Well Prepared Learners for:

- Lifelong Learning
- World of Work
- Citizenship

Effective Working Relationships With Partners

Highly Responsive and Responsible Ministry

STRATEGIC ISSUES FOR ALBERTA LEARNING

There are significant forces that impact the Ministry's ability to realize the vision of the lifelong learning system. The Ministry has responded to these forces by identifying priority strategic issues that are being addressed in the 2001-04 Business Plan.

MAJOR FORCES		**STRATEGIC ISSUES**
Economic Growth & Funding	**Alberta Learning**	Leadership
Demographics		Meeting Demand & Expectations
Lifelong Learning		Demonstrating Outcomes
On-line Learning		Integrating Technology
Rising Expectations		Affordability

Alberta Learning has identified overall strategic issues that will have a major impact on the direction of the Ministry. These issues help to refine the direction of the business plan and have generated strategies to help the Ministry achieve its goals.

1. Leadership: Alberta Learning has a leadership role in ensuring the learning system is moving towards the mission of lifelong learning in the face of changing roles, responsibilities and increased choices. This will be achieved by continuing to develop departmental and system capability to anticipate, prepare for and respond in an evolving and complex environment. An important component of developing capacity is to improve mechanisms to capture stakeholder and client priority needs.
2. Meeting Demand and Expectations: The growing global market, and learning expectations of Albertans, places increased demand on the learning system to continue to provide quality and appropriate learning opportunities. Alberta Learning will be addressing the issue of balancing learning expectations of Albertans with learning system priorities.
3. Achieve Outcomes for Continuous Improvement: To ensure Alberta's learning system continues to improve and make progress towards its vision and goals, the measurement system must respond to a changing environment. This involves using results from meaningful outcome measures to make strategic decisions and ensure the learning system is accountable.
4. Enhancing Information Management and Delivery: Alberta Learning has a leadership role in ensuring the learning system takes advantage of global knowledge and learning tools by making optimal use of technology.

STRATEGIES AND PERFORMANCE MEASURES FOR LEARNING SYSTEM GOALS

Government has identified strategies and key initiatives for the lifelong learning system to achieve the goals of high quality learning opportunities, excellence in learner achievement, well prepared learners, effective working relationships with partners and a highly responsive and responsible Ministry. These strategies and key initiatives are listed on the pages that follow, as are the outcomes, and core performance measures to assess progress.

GOAL 1: HIGH QUALITY LEARNING OPPORTUNITIES

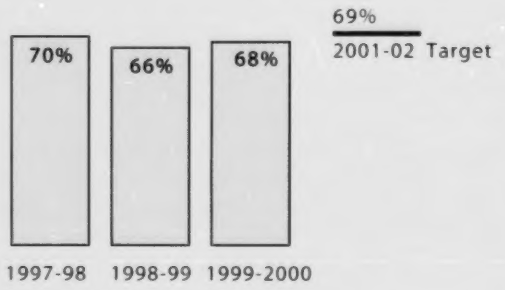
OUTCOME: Responsiveness and Flexibility
The learning system meets the needs of all learners, society and the economy.

STRATEGIES

- Increase responsiveness of learning programs and learner support to targeted groups:
  - Develop policy and program responses to recommendations from the Native Education Policy Review that will support the Government of Alberta goal of improving Aboriginal well-being, self-reliance and employability.
  - Develop a plan to collect Aboriginal student data and monitor and evaluate the effectiveness of programming for Aboriginal students.
  - Participate in Western Canada Protocol Social Studies Kindergarten to Grade 12 (K-12) Project to include more perspectives and knowledge of Francophone and Aboriginal culture and history.
  - Develop and implement an action plan to address the recommendations of the Special Education Review and explore applicability of the findings across the lifelong learning system.
  - Evaluate the results of the targeted class size reduction pilot.
- Conduct targeted consultations to assess the needs of learners and stakeholders:
  - Conduct the 2nd Minister's Forum on Lifelong Learning.
  - Develop strategies to implement Campus Alberta.
  - Implement findings from the consultation with stakeholders on the review of the Alberta International Education Strategy.
- Partner with industry to ensure that the apprenticeship and industry training system responds to the needs of the labour market.

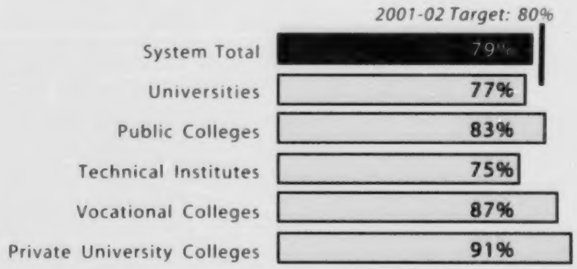
CORE PERFORMANCE MEASURES

- Public satisfication with overall quality of basic education.



2003-04 Target: 75%

- Satisfaction of recent post-secondary graduates with the overall quality of their education.



2003-04 Target: 80%

Note: Last available survey data reported, including information on 1995-96, 1996-97 and 1997-98 graduates, depending on timing of institution surveys.

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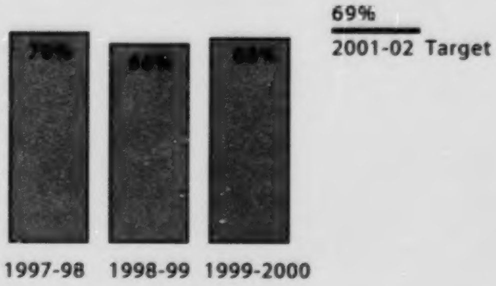

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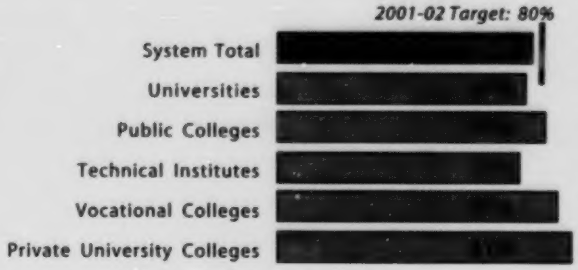


2003-04 Target: 80%

Note: Last available survey data reported, including information on 1995-96, 1996-97 and 1997-98 graduates, depending on timing of institution surveys.

OUTCOME: Responsiveness and Flexibility
The learning system is flexible and provides a variety of programs and modes of delivery.

STRATEGIES

- Enhance and support the flexibility of learning opportunities and alternate delivery strategies to provide choice for learners and to meet diverse learner needs:
  - With Innovation and Science and other partners implement a high speed network for the learning system.
  - Develop an accountability framework for ACCESS – Learning Television Agreement.
  - Refine Applied Mathematics 10-20-30 to ensure students are well prepared for post-secondary studies.
  - Identify best practices for improving student performance in early childhood to grade 9 mathematics.
  - Implement the recommendations of the School Councils – Next Steps report.
  - Implement the In-School Mentorship program in partnership with the Alberta Big Brothers and Big Sisters and the Edmonton Public Schools.
  - Evaluate the current on-line learning focusing on student performance and achievement.
  - Develop standards, processes and policy for on-line/virtual learning.
- Working with partners complete development of an outcomes framework for kindergarten to grade 12 (Review Committee on Outcomes for Basic Learning).
- Implement the kindergarten to grade 12 information and communication technology program of studies.
- Implement the safe and appropriate use of the Internet project.
- Working with partners, prepare teachers to teach information and communication technology.
- Develop an On-line Curriculum Repository Infrastructure containing multimedia content in a variety of curriculum areas and grade levels for use by students, parents, and teachers.
- Expand and enhance apprenticeship technical training in response to: industry demand; program content changes; needs for alternate forms of technical training delivery.
- Increase the modular learning resources available to Alberta apprentices.
- Implement action plan based on recommendations from the Minister's Committee on Admissions and Transfers.
- Review the adult learning program approval process.

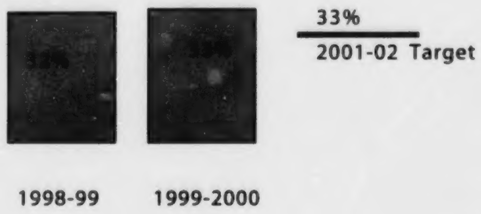
OUTCOME: Accessibility
All Albertans can participate in quality learning.

STRATEGIES

- Enhance access to learning opportunities:
  - Work with partners and stakeholders to examine ways of enabling and sustaining access to quality learning programs in sparsely populated rural communities.
  - Use allocated funding in the Access Fund to expand enrollment in health, business and teacher education programming.
  - Develop alternate assessment tools for entry into apprenticeship programs.
  - Respond to the findings of the Post-Secondary Accessibility study examining financial and non-financial barriers to learning.
  - Increase support to community based voluntary organizations in response to the learning needs identified to the MLA Committee on Lifelong Learning.
- Partner with Alberta Infrastructure to ensure there is the physical capacity to meet the demands of the learning system including expansion, infrastructure renewal and ongoing maintenance.

CORE PERFORMANCE MEASURES

- Percentage of Albertans (age 17 and older) in credit and non-credit programs and courses.



2003-04 Target: 36%

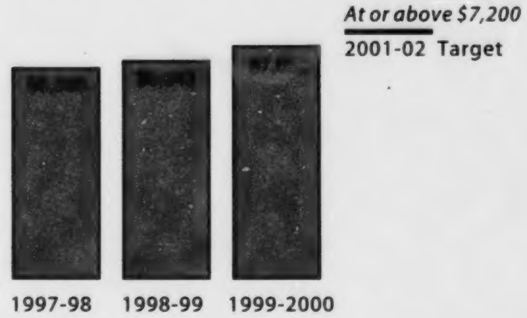
OUTCOME: Affordability
Financial need is not a barrier to learners participating in learning opportunities.

STRATEGIES

- Ensure student debt levels are manageable for learners and their families by:
    - Increasing loan limits and living allowances.
    - Reviewing the Tuition Fee Policy.
    - Improving the design and delivery of debt reduction programs.
- Encourage and reward excellence by:
    - Expanding the Jason Lang Scholarship.
    - Implementing a new scholarship for graduate students.
    - Increasing the value of the awards made through the Jimmie Condon Athletic Scholarship.
    - Increasing the Heritage Scholarship awards due to an increase in the number of students achieving academic excellence.

CORE PERFORMANCE MEASURES

- Average amount of financial assistance provided to post-secondary students.



2003-04 Target: Improve

OUTCOME: Affordability
The learning system is affordable.

STRATEGIES

- Improve flexibility and responsiveness of funding mechanisms for the learning system:
    - Implement a review of the funding framework for school authorities to link funding to outcomes in response to Review Committee on Outcomes for Basic Learning.
    - Implement recommendations to address growth and density issues of the K-12 system based on stakeholder feedback of the MLA Report on Growth and Density Issues Faced by School Jurisdictions.
    - Respond to recommendations from the MLA Post-Secondary Funding Review Committee on funding for post-secondary institutions.
- Continue to monitor and respond to high energy costs for schools and post-secondary institutions.

GOAL 2: EXCELLENCE IN LEARNER ACHIEVEMENT
OUTCOME: Learners Demonstrate High Standards

STRATEGIES

- Ensure teaching and instruction in Alberta's lifelong learning system is consistently of high quality:
    - Work with lifelong learning partners to develop strategies for recruiting and retaining teachers, faculty and administrators.
    - Continue work with Faculties of Education to implement the Quality Teaching Standard.
- Improve assessment of learner achievement:
    - Through consultation initiate an assessment methodology directed at learners with special needs and those in Integrated Occupational Program (IOP) who do not write Provincial Achievement Tests.
- Recognize learner achievement:
    - Identify results of Alberta Initiative for School Improvement (AISI) projects and communicate best practices related to enhanced student achievement.
    - Enhance awareness of education and training attained in other countries for entry into trades and professions and educational institutions.
    - Promote the high school Registered Apprenticeship Program (RAP) scholarship initiative.

OUTCOME: Responsiveness and Flexibility

The learning system is flexible and provides a variety of programs and modes of delivery.

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- Enhance and support the flexibility of learning opportunities and alternate delivery strategies to provide choice for learners and to meet diverse learner needs:
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CORE PERFORMANCE MEASURES

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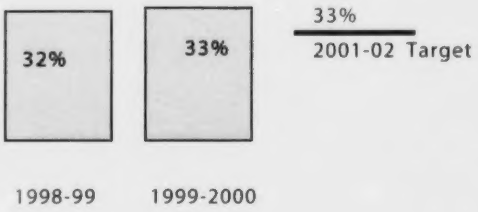

2003-04 Target: 36%

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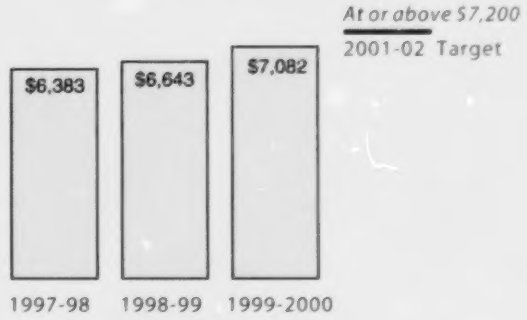

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STRATEGIES

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OUTCOME: Learners Demonstrate High Standards

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  - Continue work with Faculties of Education to implement the Quality Teaching Standard.
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  - Through consultation initiate an assessment methodology directed at learners with special needs and those in Integrated Occupational Program (IOP) who do not write Provincial Achievement Tests.
- Recognize learner achievement:
  - Identify results of Alberta Initiative for School Improvement (AISI) projects and communicate best practices related to enhanced student achievement.
  - Enhance awareness of education and training attained in other countries for entry into trades and professions and educational institutions.
  - Promote the high school Registered Apprenticeship Program (RAP) scholarship initiative.

- Percentages of students who achieved standards on grades 3, 6 and 9 Provincial Achievement Tests.

		Results for All Students in Grade			Results for Students Who Wrote		
Grade	Subject acceptable • excellence	1998-99	1999-2000	2001-02 Target	1998-99	1999-2000	2001-02 Target
Grade 3	Language Arts	83% • 15%	84% • 18%	86% • 19%	89% • 16%	91% • 19%	92% • 20%
	Mathematics	80% • 24%	82% • 26%	83% • 26%	85% • 25%	88% • 28%	89% • 28%
Grade 6	Language Arts	79% • 16%	80% • 19%	81% • 19%	84% • 17%	86% • 21%	87% • 21%
	Mathematics	77% • 16%	79% • 16%	79% • 16%	83% • 17%	84% • 18%	85% • 18%
	Science	79% • 23%	79% • 25%	79% • 25%	84% • 24%	85% • 27%	85% • 27%
	Social Studies	76% • 16%	79% • 20%	79% • 20%	82% • 17%	84% • 21%	84% • 21%
Grade 9	Language Arts (literacy)	79% • 11%	80% • 14%	80% • 15%	88% • 12%	90% • 15%	90% • 16%
	Mathematics (numeracy)	64% • 14%	67% • 14%	67% • 15%	72% • 15%	74% • 16%	75% • 17%
	Science	71% • 13%	72% • 13%	72% • 13%	78% • 15%	79% • 14%	79% • 14%
	Social Studies	73% • 16%	73% • 16%	73% • 16%	80% • 18%	81% • 18%	81% • 18%

2003-04 Target: 85% of students are expected to achieve the acceptable standard and 15% are expected to achieve the standard of excellence.

Notes: Two sets of student results on provincial achievement tests are provided above. One set (table on left) presents the results based on total enrolment in grade; the other set (table on right) presents the results based on the number of students writing the tests. In calculating the result based on total enrolments, students for whom test results are not available (absent, excused or withheld) are included. These students are excluded in the students writing calculation.

The acceptable standard percentages include the standard of excellence percentages.

Student results on the grade 9 achievement tests in language arts and mathematics are reported annually by the provincial government as proxy measures of literacy and numeracy.

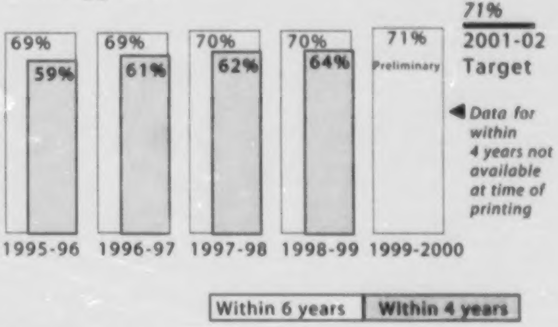
- Diploma examination results of students who achieved the acceptable standard and the standard of excellence.

Subject acceptable • excellence	1995-96	1996-97	1997-98	1998-99	1999-2000
English 30	92% • 16%	88% • 14%	88% • 14%	86% • 13%	89% • 16%
English 33	86% • 7%	86% • 7%	88% • 8%	86% • 9%	88% • 8%
Social Studies 30	84% • 18%	84% • 16%	84% • 17%	85% • 18%	84% • 16%
Social Studies 33	83% • 8%	81% • 7%	84% • 9%	83% • 11%	81% • 13%
Mathematics 30	79% • 19%	75% • 19%	82% • 23%	82% • 24%	75% • 20%
Mathematics 33	79% • 19%	81% • 18%	73% • 12%	73% • 12%	78% • 15%
Biology 30	77% • 18%	82% • 25%	81% • 25%	83% • 26%	81% • 23%
Chemistry 30	81% • 18%	79% • 18%	86% • 20%	82% • 19%	84% • 24%
Physics 30	80% • 26%	80% • 23%	86% • 30%	87% • 32%	83% • 28%
Science 30	79% • 10%	81% • 10%	83% • 11%	88% • 17%	78% • 11%

Note: In the table above, the acceptable standard percentages include the standand of excellence percentages. The current design of the diploma examinations program is under revision because it does not ensure comparability of standards from year to year. This makes it difficult to ascertain changes in performance and set targets at the provincial level.

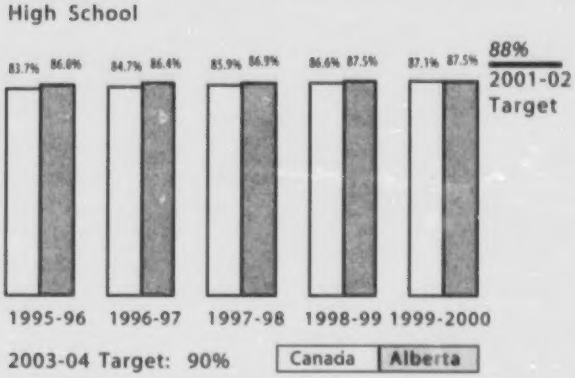
OUTCOME: Learners Complete Programs

STRATEGIES	CORE PERFORMANCE MEASURES
• Improve completion rates: • Analyze the findings and develop actions to respond to the Barriers to School Completion Review. • Develop high school leaving certificates to qualify learners in adult, career and special education programs.	• High school completion of students within 4 and 6 years of entering grade 9.

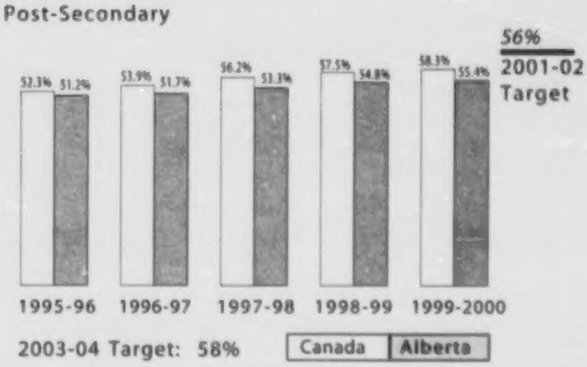


2003-04 Target: 75%

- Percentage of Albertans aged 25-34 who completed high school, and percentage who completed post-secondary learning.



2003-04 Target: 90%



2003-04 Target: 58%

GOAL 3: WELL PREPARED LEARNERS FOR LIFELONG LEARNING, WORLD OF WORK AND CITIZENSHIP

OUTCOME: Learners are Well Prepared for Lifelong Learning

Children start school ready to learn.

STRATEGIES	CORE PERFORMANCE MEASURES
• Early childhood opportunities are developed and enhanced: • Co-lead the evaluation of the Cross Ministry Children and Youth Services Initiative. • Implement a comprehensive strategy for parents with children aged 0 – 6 to improve family literacy practices and children's readiness for school. • Develop an inventory of the best assessment "tools" for describing levels of development and learning in preschool children. • Develop an action plan to implement recommendations from the Primary Programs Curriculum consultation. • Evaluate the effectiveness of the Early Literacy Initiative and explore applicability to the lifelong learning system.	• Readiness to learn measure (under development)

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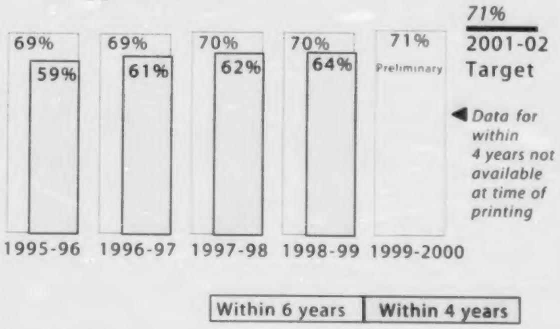

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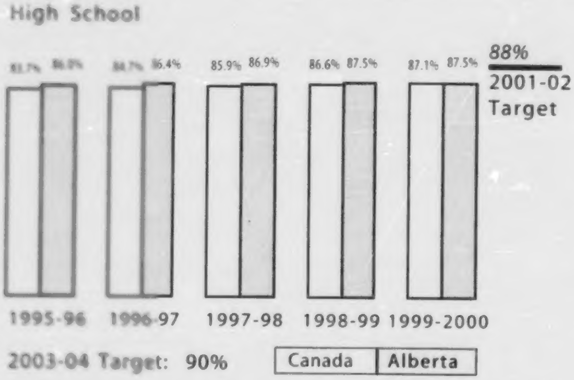

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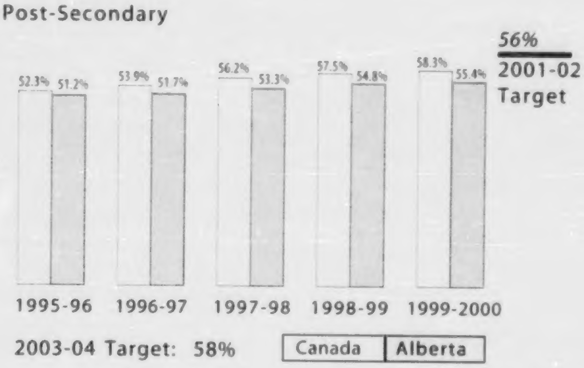

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OUTCOME: Learners are Well Prepared for Lifelong Learning

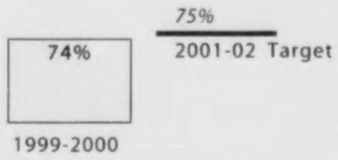
Albertans are able to learn continuously: in school, at work and in society.

STRATEGIES

- Introduce initiatives that will help Albertans succeed in learning throughout all stages of their lives:
  - Implement departmental initiatives in response to recommendations from the MLA Committee on Lifelong Learning.

CORE PERFORMANCE MEASURES

- Public satisfaction that adult learners are well prepared for lifelong learning.



2003-04 Target: 75%

OUTCOME: Learners are Well Prepared for Work

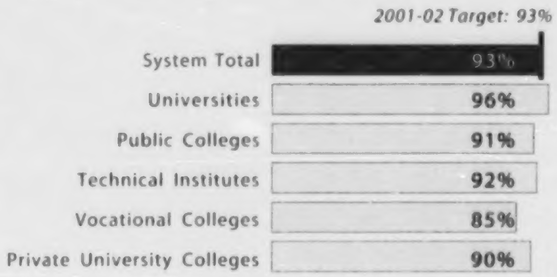
Learners are successful in finding and maintaining employment.
Employers are satisfied with knowledge, skills and attitudes of employees.

STRATEGIES

- Create diverse opportunities that prepare learners to achieve their goals of work in local and global markets:
  - Implement the first phases of the Adult Skills Alberta initiative.
  - Enhance interprovincial mobility for trade workers through the Interprovincial Standards (Red Seal) Program, the Interprovincial Computerized Exam Management System and Prior Learning Assessments.
- Work with partners and stakeholders to increase awareness of learners of newly emerging occupations.

CORE PERFORMANCE MEASURES

- Employment rates of post-secondary graduates.



2003-04 Target: Maintain or improve

Note: Last available survey data reported, including information on 1995-96, 1996-97 and 1997-98 graduates, depending on timing of institution surveys.

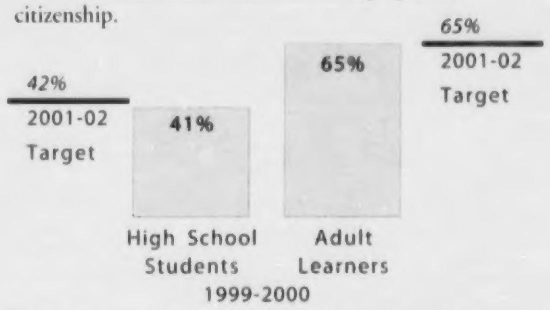
OUTCOME: Learners are Well Prepared for Citizenship

STRATEGIES

- Develop learning opportunities that will build an active and responsible citizenry.
- Create learning opportunities to help Albertans become successful in a global society:
  - Develop a marketing/promotion plan in collaboration with partners to communicate the benefits of learning a second language.
  - Consult with stakeholders and launch the Alberta International Education Strategy.
  - Support learning providers in the establishment and marketing of international student and teacher exchanges.

CORE PERFORMANCE MEASURES

- Public satisfaction that learners are well prepared for citizenship.



2003-04 Targets: 45% - High School Students
65% - Adult Learners

GOAL 4: EFFECTIVE WORKING RELATIONSHIPS WITH PARTNERS

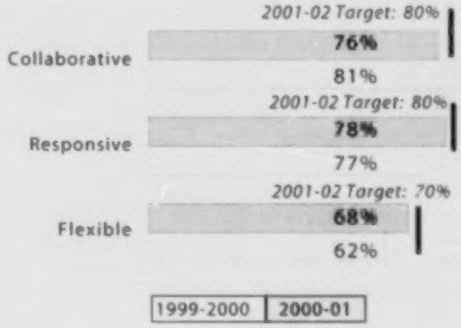
OUTCOME: Effective Partnerships Meet the Learning Needs of Albertans

STRATEGIES

- Build partnerships that will contribute to quality learning in Alberta and enhance integration across lifelong learning:
  - Develop capacity in stakeholders to assume the leadership of the Safe and Caring Schools Initiative in partnership with Alberta Learning.
  - Work with Human Resources and Employment to establish and maintain a high standard for delivery of student assistance for clients in Skills Development and Labour Market Programs.
  - In partnership with schools and post-secondary institutions, implement the Alberta Student Number Initiative.
- Strengthen innovation and research capacity of the learning system:
  - Explore options to enhance and maintain research excellence in partnership with Innovation and Science.
- Develop collaborative and consultative models with stakeholders in the design, delivery and evaluation of the learning system:
  - Build consultative frameworks for major initiatives e.g., Business Plan, Performance Measurement.
  - Develop new partnership initiatives through co-led Cross Ministry Initiatives: Children and Youth Services Initiative (including the Youth Employment Strategy), Economic Development Strategy (in addition to People and Prosperity).
  - Review effectiveness and practicality of the Western Canadian Protocol.
  - Review effectiveness of the Program Assessment and Advisory Committee (PAAC) with partners.

CORE PERFORMANCE MEASURES

- Satisfaction of partners and stakeholders with working relationships with Alberta Learning staff.



2003-04 Targets: Collaborative - 80%
Responsive - 80%
Flexible - 70%

OUTCOME: Joint Initiatives Contribute to the Achievement of the Social and Economic Goals of the Province

STRATEGIES

- Work with partners to clarify roles, responsibilities and accountabilities in the development and delivery of learning in Alberta:
  - Work with Aboriginal groups and the federal government to clarify accountabilities.
  - Articulate strategies with existing partners for achieving greater commitment to accountability.
- Strengthen partnerships with industry:
  - Work with employers and apprentices to increase awareness of the economic benefits to both industry and employees of apprenticeship.
- Work with partners to jointly review and evaluate initiatives to improve effectiveness:
  - Identify potential Ministry services related to the Cross Ministry Alberta One-Window Initiative.

OUTCOME: **Learners are Well Prepared for Lifelong Learning**
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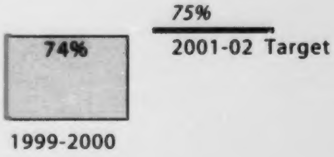

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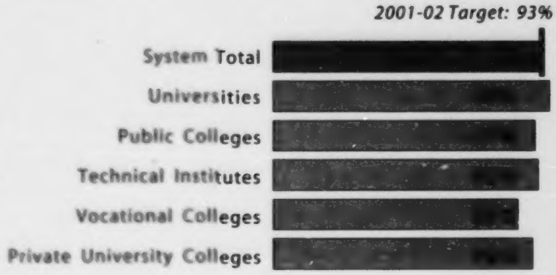

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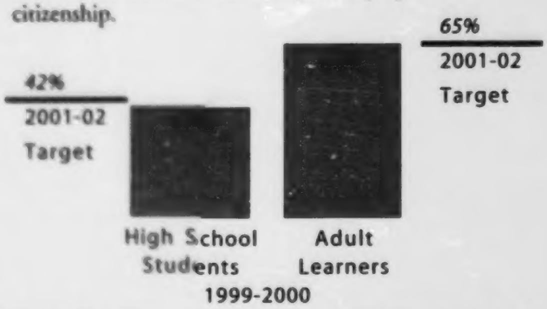

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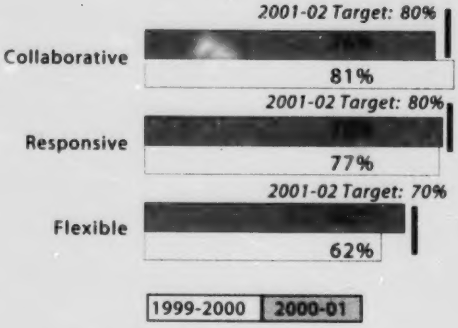

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GOAL 5: HIGHLY RESPONSIVE AND RESPONSIBLE MINISTRY

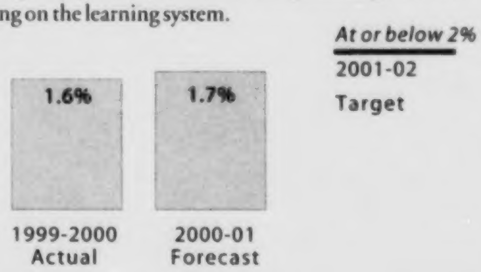
OUTCOME: The Ministry Demonstrates Value for Dollars

STRATEGIES

- Enhance the performance measurement, performance assessment and results reporting for the Ministry and learning system:
  - Refine, simplify and enhance the value of Key Performance Indicators (KPI's) for post-secondary institutions.
- Implement approaches to reporting and communication that raise public awareness of the challenges and accomplishments of the Learning System.
- Implement service level agreement with Alberta Corporate Service Centre for Financial, Human Resources, Administrative, Library Services and Information Technology.

CORE PERFORMANCE MEASURES

- Spending on department functions as a percentage of total spending on the learning system.



2003-04 Target: At or below 2%

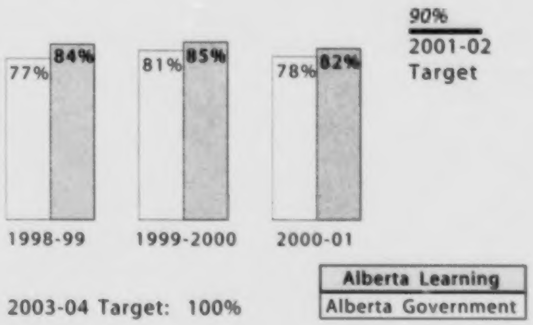
OUTCOME: The Ministry Demonstrates Leadership and Continuous Improvement in Administrative and Business Processes and Practices

STRATEGIES

- Optimize the use of technology to support knowledge management, decision-making and communication:
  - Enhance the Ministry's inter/intra/extra net to provide a client responsive website.
  - Develop a strategic information plan for data collection, analysis and reporting.
  - Implement technical enhancement plan to create efficiencies and improve the effectiveness of the apprenticeship and industry training system.
  - Implement technological enhancements to provide a more user-focused Student Finance system.
- Continuously review programs and administrative practices for opportunities to improve effectiveness:
  - Initiate a financial reporting review of school board funding.
- Implement the government's Corporate Human Resource Development Strategy.
- Develop a strategy to support a Ministry learning organization and culture:
  - Respond to the findings of the staff satisfaction survey.
- Develop a stronger linkage between the Ministry's business plan and the corporate human resource plan:
  - Develop leadership capacity at all levels of the organization through experiential and formal training opportunities.
- Increase the effectiveness of business and strategic planning in the department:
  - Implement the Results-Oriented Government learning strategy for the Ministry.
  - Develop and refine long range strategic planning processes within the Ministry.
  - Enhance and refine the environmental scanning system to research and analyze external factors and strategic issues to respond to lifelong learning trends and challenges.
  - Develop a departmental public consultation model highlighting good practices in consultation.
  - Develop tools to support the Ministry operational plan to reflect the business activities that contribute to the achievement of Ministry priorities.

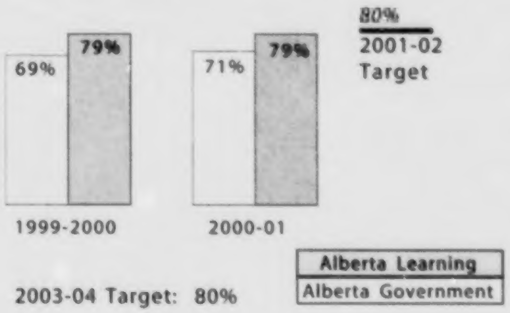
CORE PERFORMANCE MEASURES

- Percentage of Alberta Learning staff who agree they understand how their work contributes to the department's business plan.



2003-04 Target: 100%

- Percentage of Alberta Learning staff who agree they understand how the work of the department contributes to government business goals.



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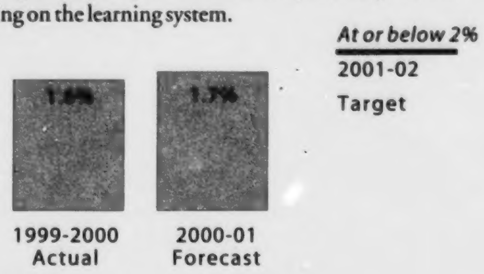

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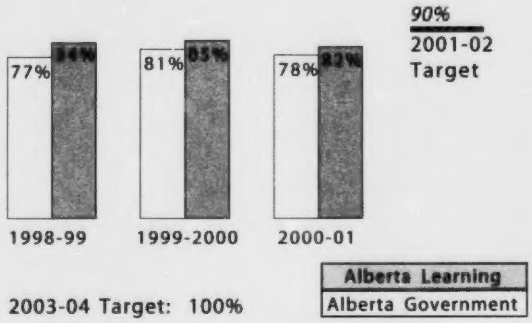

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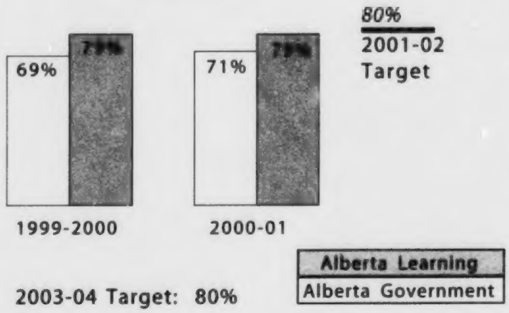


2003-04 Target: 80%

Expense by Core Business

(thousands of dollars)	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Support for Basic Learning	3,163,962	3,362,261	3,335,971	3,573,388	3,786,976	3,947,908
Support for Adult Learning	1,105,906	1,084,887	1,109,032	1,218,926	1,305,756	1,359,638
Support for Apprenticeship Training	18,267	16,478	24,128	22,160	22,568	18,136
MINISTRY EXPENSE	4,288,135	4,463,626	4,469,131	4,814,474	5,115,300	5,325,682

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	41,863	107,100	107,100	71,400	93,900	106,900
Provincial Education Property Taxes	1,128,263	1,157,533	1,131,736	1,048,000	1,048,000	1,048,000
Transfers from Government of Canada	160,612	147,604	167,573	148,644	152,976	148,918
Sales of Learning Resources	18,067	18,725	20,790	26,970	28,320	29,740
Premiums, Fees and Licences	4,338	3,904	4,136	4,330	3,922	4,026
Other Revenue	2,906	2,305	2,156	2,400	2,400	2,400
MINISTRY REVENUE	1,356,049	1,437,171	1,433,491	1,301,744	1,329,518	1,339,984
EXPENSE						
Program						
Operating Support to Public and Separate Schools						
- Basic Instructional Grants	2,059,174	2,221,102	2,163,147	2,237,483	2,330,615	2,387,792
- Severe Special Needs	105,949	121,276	120,276	145,650	169,322	195,460
- Alberta Initiative for School Improvement	-	37,250	37,250	65,440	66,531	67,705
- Salary Enhancements	-	-	-	55,000	117,000	137,000
Support Grants (Administration, Transportation, and Operations and Maintenance)	557,922	584,227	585,427	647,209	658,497	672,294
Less:						
Property Tax Support to Opted-Out Separate School Boards	(162,691)	(162,441)	(154,436)	(146,000)	(146,000)	(146,000)
Sub-total	2,560,354	2,801,414	2,751,664	3,004,782	3,195,965	3,314,251
Teachers' Pensions	194,037	216,526	216,526	225,199	233,271	239,791
Early Childhood Services	105,276	113,851	137,851	156,223	163,499	168,464
Private School Support	36,352	46,556	46,556	51,721	53,959	56,999
Other Basic Learning Programs	41,866	85,526	86,627	32,585	34,523	56,418
Student Health	14,937	25,772	26,616	27,750	29,289	30,356
Assistance to Post-Secondary Institutions	819,215	852,832	871,780	903,825	930,903	955,799
Funding Envelopes for Post-Secondary Institutions	66,575	93,331	110,267	128,236	152,487	171,822
Faculty Retention	-	-	-	28,500	40,500	41,500
Support to Post-Secondary Learners	115,096	125,305	121,305	147,505	170,105	174,945
Apprenticeship Delivery	15,142	12,373	12,373	14,223	14,636	14,031
Ministry Support Services	27,694	28,499	28,668	29,664	29,936	30,919
Program Delivery Support	43,445	53,641	53,398	56,761	58,727	62,887
	4,039,989	4,455,626	4,463,631	4,806,974	5,107,800	5,318,182
One-time Extraordinary Costs						
School Board Deficit Elimination	151,303	-	-	-	-	-
Governance Assets Transfer	92,851	-	-	-	-	-
Program Expense*	4,284,143	4,455,626	4,463,631	4,806,974	5,107,800	5,318,182
Debt Servicing Costs						
Alberta School Foundation Fund	3,992	8,000	5,500	7,500	7,500	7,500
MINISTRY EXPENSE	4,288,135	4,463,626	4,469,131	4,814,474	5,115,300	5,325,682
Gain (Loss) on Disposal of Capital Assets	46,447	-	-	-	-	-
NET OPERATING RESULT	(2,885,639)	(3,026,455)	(3,035,640)	(3,512,730)	(3,785,782)	(3,985,698)

* Subject to the Fiscal Responsibility Act. Program expense includes the province's cash payments towards the unfunded pension liability (which will be eliminated under a separate legislated plan). Program expense does not include the annual change in the unfunded pension obligations, which is a non-cash expense that does not affect borrowing requirements. The annual increases (decreases) in the Ministry of Learning's unfunded pension obligations are:

21,473	41,000	28,040	52,188	58,961	67,769

Consolidated Net Operating Result

(thousands of dollars)	**Comparable 1999-2000 Actual**	**Comparable 2000-01 Budget**	**Comparable 2000-01 Prelim. Actual**	**2001-02 Estimates**	**2002-03 Target**	**2003-04 Target**
Ministry Revenue	1,356,049	1,437,171	1,433,491	1,301,744	1,329,518	1,339,984
Inter-ministry consolidation adjustments	(88,589)	(107,100)	(107,100)	(71,400)	(93,900)	(106,900)
Consolidated Revenue	1,267,460	1,330,071	1,326,391	1,230,344	1,235,618	1,233,084
Ministry Program Expense	4,284,143	4,455,626	4,463,631	4,806,974	5,107,800	5,318,182
Inter-ministry consolidation adjustments	(92,851)	-	-	-	-	-
Consolidated Program Expense	**4,191,292**	**4,455,626**	**4,463,631**	**4,806,974**	**5,107,800**	**5,318,182**
Ministry Debt Servicing Costs	3,992	8,000	5,500	7,500	7,500	7,500
Consolidated Expense	4,195,284	4,463,626	4,469,131	4,814,474	5,115,300	5,325,682
Gain (Loss) on Disposal of Capital Assets	46,447	-	-	-	-	-
Inter-ministry consolidation adjustments	(92,851)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(2,974,228)	(3,133,555)	(3,142,740)	(3,584,130)	(3,879,682)	(4,092,598)

Municipal Affairs

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Guy Boutilier, *Minister of Municipal Affairs*
April 10, 2001

INTRODUCTION

Our province has a dynamic economy built on the *Alberta Advantage*. This, combined with a rapidly growing population, has produced a multitude of economic opportunities. Alberta residents and businesses – both established and new – will continue taking advantage of these opportunities in the coming years.

This growth puts increased demands on provincial and municipal resources. Alberta Municipal Affairs is meeting this challenge by providing extensive support to local governments. Within the two program areas – Local Government Services and Public Safety – the department provides a focused and coordinated approach in delivering programs and services to municipalities. The program areas have strong links with each other and with the municipalities they serve, enabling them to function as a team to address the needs.

Now that we are in the 21st century, partnership, collaboration and cooperation are taking on even greater importance. We will continue to foster partnerships that ensure Albertans live in safe and sustainable communities and are served by open, effective and accountable governments.

BUSINESS PLAN SETTING

A number of current issues and evolving challenges confront the Ministry and will shape the new three-year business plan:

- continued pressures on local services, facilities, and infrastructure caused by growth of the Alberta economy, changing demographics and environmental factors that affect local communities;
- the need to improve the standardization of the property assessment system to ensure efficiency, uniformity, and equity;
- the need to clarify and potentially redefine provincial-municipal relationships to improve service quality, efficiency, and accountability;
- the need to cooperatively address the challenges facing small municipalities; and
- financial pressures facing municipalities.

VISION

Improved services through sustainable, cooperative local government.

MISSION

Alberta Municipal Affairs works in partnership with Alberta's municipalities, other government departments, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective and accountable governments.

LINKS TO THE GOVERNMENT BUSINESS PLAN

The Ministry supports the Government's three core businesses in these ways:

- by helping **People** to be safe and self-reliant, through the Ministry's safety and emergency preparedness services;
- by promoting Alberta's **Prosperity** and the Alberta Advantage by encouraging the development of an efficient local government sector that provides the services, facilities, and infrastructure that Albertans and businesses need;
- by **Preserving** Alberta's traditions and priorities that support sustainable and safe communities that are responsive to their citizens.

CROSS MINISTRY INITIATIVES

Alberta Municipal Affairs supports the following cross ministry initiatives:

ECONOMIC DEVELOPMENT STRATEGY ("GET READY ALBERTA")

Alberta Municipal Affairs contributes to Alberta's economic development strategy through a variety of activities centred on local government. Through various grants and programs that encourage self-reliant communities, the department contributes to the *Alberta Advantage*. As a result, a high priority is given to programs such as the Regional Partnership Initiative. This initiative assists municipalities and stakeholders to create effective and efficient regional partnerships that attract and retain investment and offer high quality living standards in a globally competitive environment.

ALBERTA CORPORATE SERVICE CENTRE INITIATIVE

Alberta Municipal Affairs supports the cross ministry initiative to create and implement a premier shared services model in Alberta that has a strong corporate culture, significant cost savings and reinvestment opportunities, increased efficiencies in service delivery, effective business partnerships, and one that promotes innovation. The Ministry is actively participating in initiatives to consolidate transactional and other non-strategic services in the areas of finance, human resources, information technology and general administration, and is managing the transition through effective planning and communication.

CORPORATE HUMAN RESOURCE DEVELOPMENT STRATEGY

A Corporate Human Resource Development Strategy is being implemented across government to address the aging of the public service, competition for scarce resources and rapidly changing skill needs. Alberta Municipal Affairs supports this initiative and has implemented internal strategies such as corporate learning, leadership development, recruitment and continuity planning.

ABORIGINAL POLICY INITIATIVE

Alberta Municipal Affairs supports this strategy through specific initiatives and by tailoring elements of General Application Programs to meet the needs of Aboriginal people and communities where appropriate.

CORE BUSINESSES

The Ministry's core business activities support the vision and mission of the Ministry. They are:

- **Local Government Services** – providing support services, policies and legislation that enhance the development of a sustainable, accountable, responsive and effective local government sector
- **Safety Services and Fire Protection** – administering a safety system that provides uniform application of appropriate safety codes and standards and promotion of fire protection throughout the province
- **Disaster Services** – managing provincial disaster planning and recovery programs and supporting municipalities to ensure their preparedness to deal with major emergencies and disasters

The Ministry also includes the Municipal Government Board, an independent quasi-judicial tribunal that adjudicates on matters specified under the *Municipal Government Act*.

MAJOR CLIENTS AND STAKEHOLDERS

The Ministry's primary clients include municipalities and their related organizations and associations, accredited organizations, and industry-based safety and emergency planning groups. The Ministry consults and works with the local government sector, with the public and industry, and with other provincial and federal departments as an integral and on-going part of its activities.

MAJOR GOALS

The Ministry's major goals are:

1. an effective, responsive, cooperative and well-managed local government sector;
2. financially sustainable and accountable municipalities;
3. a uniform and equitable property assessment system in which stakeholders have confidence;
4. a comprehensive safety system that provides an appropriate level of public safety; and
5. a disaster services program that enhance and supports local emergency preparedness for major emergencies and disasters.

BUSINESS PLAN GOALS, KEY RESULTS, AND STRATEGIES

CORE BUSINESS 1: LOCAL GOVERNMENT SERVICES

GOAL 1: AN EFFECTIVE, RESPONSIVE, COOPERATIVE AND WELL-MANAGED LOCAL GOVERNMENT SECTOR

KEY RESULTS	KEY STRATEGIES
• Support systems and programs that support excellence in local governance, management, and service delivery.	• Work with municipalities to create effective and efficient regional partnerships that can create an atmosphere to attract and retain investment, compete globally and contribute to a high quality of life. • Encourage municipalities to cooperate with their neighbours to develop and implement improved and more efficient service delivery systems. • Develop and implement a program for encouraging the self-evaluation of excellence to assist municipalities and citizens in developing innovative strategies for more effective governance, administration, financial management and service delivery. • Support municipalities to effectively use technology in their operations through one-window access and other initiatives in partnership with Alberta Government Services and Alberta Innovation and Science. • Develop and coordinate education and information services that include training programs, job exchanges, on-line information, and workshops for local elected officials, administrators, staff, and related professionals. • Work with municipalities to be leaders in the reduction of greenhouse gas emission and other climate change initiatives. • Participate in efforts to enhance relations between aboriginal groups and municipal governments in Alberta.
• Resolution of local and inter-municipal governance and management issues through responsive and effective Ministry support.	• Provide governance, administration and management, and land-use planning advice to local governments and associated local service delivery organizations. • Support municipal cooperation and self-directed dispute resolution through mediation and facilitation.
• A coordinated provincial government approach towards municipalities.	• Clarify the government's working relationship with municipalities and develop a mechanism to address major municipal-provincial issues.
• A legislative framework that enables municipalities to operate successfully and meet the local needs of Albertans.	• Develop changes to the provincial legislation and regulations related to municipalities that support innovative and improved approaches to local governance and service delivery and that will also result in a more streamlined legislative framework. • Work cooperatively with other ministries, municipalities, and other organizations to improve the provision, coordination and delivery of programs, policies and services that enhance local service effectiveness and efficiency.

GOAL 2: FINANCIALLY SUSTAINABLE AND ACCOUNTABLE MUNICIPALITIES

KEY RESULTS	KEY STRATEGIES
• Appropriate Ministry services and systems are in place to support financially sustainable municipalities.	• Maintain the Ministry's financial monitoring systems that provide evidence of municipal financial capacity and provide continued advisory support to municipalities. • Assist municipalities to examine and pursue innovative approaches and restructuring that will enhance their financial strength.
• Financial support that enhances local government financial capability.	• Administer the Unconditional Municipal Grant Program to provide ongoing financial assistance in support of municipal programs. The Ministry will examine new formulae and options to enhance the effectiveness of the program. • Administer the Municipal Sponsorship Program, which targets assistance to specific municipal needs, including promoting inter-municipal cooperation and innovative projects. • Administer the Grants in Place of Taxes program to provide appropriate grants to municipalities for properties owned by the province. • Develop and administer new grant initiatives targeted at municipalities. • Administer the Municipal Debenture Interest Rebate Program to subsidize the interest costs on certain municipal borrowings from the Alberta Municipal Financing Corporation.

GOAL 3: A UNIFORM AND EQUITABLE PROPERTY ASSESSMENT SYSTEM IN WHICH STAKEHOLDERS HAVE CONFIDENCE

KEY RESULTS	KEY STRATEGIES
• An equitable and efficient property assessment system in Alberta.	• Enhance, develop and maintain assessment standards and procedures through timely advice, consistent assessments and audits, the establishment of handbooks and professional guides and by ensuring that practices and methodologies are current. • Support the property assessment system by providing timely and accurate linear assessments. • Improve the assessment, equalization, and education requisition processes by facilitating appropriate sharing of data on assessments and building permits. • Implement improved assessment procedures in response to approved recommendations from MLA committees.

CORE BUSINESS 2: SAFETY SERVICES AND FIRE PROTECTION

GOAL 4: A COMPREHENSIVE SAFETY SYSTEM THAT PROVIDES AN APPROPRIATE LEVEL OF PUBLIC SAFETY

[illegible]	[illegible]
• Appropriate codes and standards.	• Maintain appropriate provincial codes and standards in consultation with the Safety Codes Council, the public, industry, and other jurisdictions. • Participate in reviews of the national and international codes and standards that are used in Alberta.
• Codes and Standards are applied uniformly, effectively and efficiently.	• Enhance environmental protection through the development and implementation of a program for remediation of underground petroleum storage tank sites. • Enhance the administration and application of safety codes and standards by providing support and advisory services. Part of this strategy is a project to develop, in partnership with municipalities, a provincial electronic permit system. • Support municipalities and other partners to participate in partnerships such as Regional Service Commissions. • Promote public awareness and understanding of the purpose and value of codes and standards adopted under the *Safety Codes Act*.
• Reduced personal and property loss resulting from preventable fires.	• Promote public awareness of fire safety and prevention through educational programs and dissemination of fire safety information through all media. • Encourage establishment of local or regional coalitions to promote fire safety. • Develop and implement methods to effectively coordinate activities aimed at preventing and reducing fire loss.
• Access to quality training for fire departments in a format allowing for maximum participation.	• Support to the Alberta Fire Training School to enhance its training programs. • Provide training for municipal fire protection officials by administering grant programs for training by private sector resources. • Provide fire investigation upgrade training through Safety Codes Officer Training Initiative and other co-operative training programs.

CORE BUSINESS 3: DISASTER SERVICES

GOAL 5: A DISASTER SERVICES PROGRAM THAT ENHANCES AND SUPPORTS LOCAL EMERGENCY PREPAREDNESS FOR MAJOR EMERGENCIES AND DISASTERS

KEY RESULTS	KEY STRATEGIES
• Timely and effective response to disasters and emergencies.	• Enhance the preparedness of municipalities to deal with actual emergencies by assisting them to develop and test their emergency plans. • Provide disaster financial assistance to complement local government resources, share costs at a provincial level and facilitate federal cost sharing whenever possible. • Expand the provincial Emergency Public Warning System. • Ensure a coordinated provincial response to major emergencies and disasters by regularly reviewing, testing and modifying the province's emergency plans in conjunction with involved departments. • Continue to work with Government departments to ensure Business Resumption Plans are in place. • Enhance the work of the Alberta Emergency Preparedness Partnership by providing leadership, facilitating partnership operations and coordinating the delivery of programs. • Support First Nations with ongoing review and development of emergency preparedness resources, advice, and disaster response coordination. • Support training for provincial and municipal emergency preparedness officials by administering grant programs for training. • Ensure that federal-provincial disaster assistance arrangements are consistently and equitably applied by working with other provincial departments, provinces and territories to facilitate meaningful negotiations with the federal government.

SUPPORT SERVICES

Staff from six specialized areas – Business Planning and Corporate Support, Communications, Financial Services, Human Resource Services, Information Technology, and Legal Services – provide support to the operating divisions in achieving their business plan goals and strategies. These areas support the business plan through key initiatives and strategies that affect the entire Ministry.

Business Planning and Corporate Support provides strategic leadership and guidance, and coordinates corporate activities to deliver Ministry initiatives in an effective, timely and consistent manner. This office is responsible for business planning and performance measurement, legislative planning, information access and privacy protection for the Ministry, and central administrative services.

Communications provides strategic communications advice and support to assist the Ministry to communicate effectively with its stakeholders and to ensure that Albertans have access to the information they need on the role, programs and initiatives of Alberta Municipal Affairs.

Financial Services directs the Ministry's financial, reporting and budgetary activities, in a shared services environment and is responsible for ensuring an accountability framework is in place to meet the obligations of management, the *Financial Administration Act* and the *Government Accountability Act.*

Human Resource Services provides strategic direction to support the vision that Ministry staff are respected for their attitudes, knowledge and skills, their effective management of public policy and their dedication to achieving quality, affordable services for Albertans.

The **Information Technology/CIO's Office** supports the Ministry on matters relating to telecommunications and information technology, and provides guidance and frameworks for our departmental Information Technology (IT) plans and initiatives to meet the goals of the Ministry. This office acts as the link between our IT service providers and our lines of business as well as representing the ministry on IT committees and initiatives across the government.

Legal Services provides effective legal and related services to support the Ministry in achieving its goals and initiatives through the provision of strategic and solution-oriented advice and representation.

GOALS	PERFORMANCE INDICATORS	SOURCE	HISTORICAL/ [illegible] BASELINE	TARGETS
Goal 1: An effective, responsive, cooperative and well-managed local government sector.	Level of satisfaction with the Local Government Services Division's activities, services, programs, and legislative framework in enabling and promoting a cooperative and well-managed local government sector. The measure will be calculated based upon percentage of the units within Local Government Services that achieved their performance targets. The individual performance targets for each of the units used in the calculation of the overall performance ranges from 65% to 90%.	Annual survey satisfaction	2000/01 Target – 75%	2001/02 – 77% (Average) 2002/03 – 78% 2003/04 – 80%
Goal 2: Financially sustainable and accountable municipalities.	Percentage of municipalities meeting the Ministry's criteria of financial sustainability. The key criteria are based on legislation contained within the *Municipal Government Act*. The measure will be calculated based on a point system weighting the criteria. Municipalities exceeding a set point limit will be considered not to have met the criteria for municipal sustainability.	Ministry's municipal financial monitoring system	Target set at 90%	2001/02 – 95% 2002/03 – 95% 2003/04 – 95%
Goal 3: A uniform and equitable property assessment system in which stakeholders have confidence.	Percentage of municipal assessment rolls which meet provincial standards for procedures, uniformity, and equity.	Ministry audit/ review procedures	1996/97 – 66% 1997/98 – 88% 1998/99 – 93% 1999/00 – 96%	2000/01 – 95% 2001/02 – 95% 2002/03 – 95% 2003/04 – 95%
Goal 4: A comprehensive safety system that provides an appropriate level of public safety.	1. The percentage of assessed accredited municipalities, corporations, agencies, and delegated administrative organizations administering the *Safety Codes Act* that achieve a satisfactory rating.	Ministry monitoring system	Satisfaction rating achieved 1998/99 – 77% 1999/00 – 92% 2000/01 – 93% (3rd quarter)	2000/01 – 90% 2001/02 – 90% 2002/03 – 95% 2003/04 – 95%
	2. The percentage of surveyed clients satisfied with the effectiveness of safety codes program.	Annual Ministry Survey will be administered in 2000/01. Actual will be used to establish targets for future years.	Baseline to be established in 2001/02	Maintain or improve
	3. Reduction in personal and property loss due to preventable fires. 2000/01 Benchmark: • Fire deaths and deaths involving fires: less than 40 • Fire injuries: less than 400 • Fire losses in property: less than $140 million • Reported number of fires: 6,500	Annual fire loss statistics	Baseline to be established in 2001/02	Maintain or improve

GOALS	PERFORMANCE MEASURES	SOURCE	HISTORICAL/CURRENT BASELINE	TARGET
Goal 5: A disaster services program that enhances and supports local emergency preparedness for major emergencies and disasters.	1. Achieve a level of 100% of claims where a member of the damage assessment team arrives on-site within 30 day of a claim being received.	Ministry processing data	1996/97 – 99.7% 1997/98 – 100% 1998/99 – N/A 1999/00 – 100%	2000/01 – 100% 2001/02 – 100% 2002/03 – 100% 2003/04 – 100%
	2. Level of preparedness testing as measured by the percentage of municipalities, required to have emergency plans under the *Disaster Services Act*, that test their emergency plans through exercises within a four-year cycle. Target is to test 100% of 25% of municipalities (one quarter) each year over a four-year cycle. If more than one quarter of municipalities test their plans in a year, the Actual will exceed 100%.	Ministry operational data	1998/99 – 160% 1999/00 – 280%	2000/01 – 100% 2001/02 – 100% 2002/03 – 100% 2003/04 – 100%

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Local Government Services	108,297	117,086	124,075	117,363	117,959	118,274
Safety Services and Fire Protection	9,167	18,599	20,770	79,685	9,829	10,016
Disaster Services	12,107	2,845	13,944	3,654	3,688	3,730
Municipal Government Board	2,589	2,293	2,709	2,482	2,509	2,543
MINISTRY EXPENSE	132,160	140,823	161,498	203,184	133,985	134,563

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	10,000	12,000	12,000	12,000	12,000	12,000
Transfers from Government of Canada	3,288	420	3,918	496	496	496
Premiums, Fees and Licences	730	459	591	376	376	376
Other Revenue	6,188	1,307	1,476	1,531	1,531	1,531
MINISTRY REVENUE	20,206	14,186	17,985	14,403	14,403	14,403
EXPENSE						
Program						
Ministry Support Services	9,482	7,972	10,035	10,067	10,156	10,282
Local Government Services	102,957	112,703	118,557	111,827	112,375	112,620
Public Safety	17,417	18,301	30,759	79,371	9,513	9,693
Municipal Government Board	2,042	1,847	2,147	1,919	1,941	1,968
Valuation Adjustments and Other Provisions	262	-	-	-	-	-
MINISTRY EXPENSE	132,160	140,823	161,498	203,184	133,985	134,563
Gain (Loss) on Disposal of Capital Assets	(69)	-	-	-	-	-
NET OPERATING RESULT	(112,023)	(126.637)	(143,513)	(188,781)	(119,582)	(120,160)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	20,206	14,186	17,985	14,403	14,403	14,403
Inter-ministry consolidation adjustments	(10,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Consolidated Revenue	10,206	2,186	5,985	2,403	2,403	2,403
Ministry Program Expense	132,160	140,823	161,498	203,184	133,985	134,563
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**132,160**	**140,823**	**161,498**	**203,184**	**133,985**	**134,563**
Gain (Loss) on Disposal of Capital Assets	(69)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(122,023)	(138,637)	(155,513)	(200,781)	(131,582)	(132,160)

Revenue

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Greg Melchin, *Minister of Revenue*
April 10, 2001

REVENUE'S VISION

To provide prudent and innovative revenue and investment management.

REVENUE'S MISSION (CORE BUSINESSES)

- Manage and invest financial assets prudently.
- Administer tax and revenue programs fairly and efficiently.
- Manage risk associated with loss of public assets.
- Regulate Alberta's capital market.

REVENUE GOALS FOR 2001-04

1. Develop and implement sustainable revenue and investment frameworks that meet the province's needs.
2. Maximize investment returns subject to client-defined objectives and policies.
3. A fair and competitive provincial tax system managed efficiently and effectively.
4. Safeguard public assets from accidental loss.
5. Foster a fair and efficient capital market in Alberta.

Note: In addition to the Revenue Department, the Ministry of Revenue includes the activities of the Alberta Heritage Savings Trust Fund, Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Scholarship Fund, Alberta Risk Management Fund, Alberta Heritage Science and Engineering Research Endowment Fund, and Alberta Securities Commission. Additional details for the Alberta Securities Commission and the Alberta Heritage Savings Trust Fund are contained in the supplementary information to the Ministry Plan.

GOAL 1: DEVELOP AND IMPLEMENT SUSTAINABLE REVENUE AND INVESTMENT FRAMEWORKS THAT MEET THE PROVINCE'S NEEDS

Related Core Government Measures: Provincial Credit Rating, Accumulated Debt

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Develop and implement a revenue management framework for overall government revenues.	• Alberta's revenues are managed efficiently and effectively.	• To be developed.
• Develop and implement an investment management framework.	• A disciplined investment strategy.	• To be developed.
• Lead a "Future Summit" to chart a course for the province's debt free future.	• A vision of Alberta's future - people, prosperity and preservation.	• Clear concise action for the future.

GOAL 2: MAXIMIZE INVESTMENT RETURNS SUBJECT TO CLIENT-DEFINED OBJECTIVES AND POLICIES

Related Core Government Measures: Provincial Credit Rating, Accumulated Debt

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Maximize long-term return on the government's investments to generate sustainable income to support the province's financial position.	• Continued investment performance that meets or exceeds the established performance benchmarks.	• Clearly defined investment benchmarks have been established for the government's investments.
• Develop a competitive and sustainable business model for the investment of the government's financial assets and public sector client funds. • Satisfy client needs (e.g. Heritage Fund, public sector pension funds) by providing a wide range of investment products. • Analyze new products and implement those that contribute to investment objectives. • Continue to use a mix of direct internal investment and external investment management firms. • Continue to improve the quality of investment performance measurement and client reporting. • Enhance the management of risk by implementing new monitoring and analytical tools. • Maintain Revenue's status as a cost-effective provider.	• Focused and professional investment operation with a strong governance structure. • Efficient and prudent management of the province's financial assets. • Efficient and prudent management of assets of other funds (e.g., public sector pension funds) invested by the Minister of Revenue.	• Annualized market value rates of return (ROR) measured against benchmarks established by clients. **Heritage Fund:** **Total Fund:** **ROR compared against the province's total debt portfolio on a market value basis.** **Endowment Portfolio:** **ROR greater than a benchmark portfolio.** (Details in Performance Measures section.) Returns will also be compared to other major Canadian investment funds and to the rate of inflation.

Note: Key performance measures appear in bold throughout the goals section.

GOAL 3: A FAIR AND COMPETITIVE PROVINCIAL TAX SYSTEM MANAGED EFFICIENTLY AND EFFECTIVELY

Related Core Government Measures: Taxation Load, Job Growth, Cost of Government

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Co-ordinate tax policy/changes within the province. • Work with stakeholders (provincial) to review tax policy issues. • Implement the April 1, 2001 business tax plan changes; implement the 2002-04 tax plan steps subject to affordability.	• A tax system that encourages Albertans to work and that supports families. • A competitive corporate tax regime that attracts business and investment. (Shared outcomes with Ministry of Finance)	• **Provincial tax load for a family of four; target: the lowest in Canada.** • Personal tax load; target: the lowest in Canada. • **Provincial tax load on businesses; target: the lowest in Canada.** • Per cent annual growth in business registrations; target: 3%. (Shared Performance Measures with Ministry of Finance. Reported in Ministry of Finance.)
• Maintain an effective and affordable tax system by encouraging self-compliance and addressing non-compliance.	• High rate of compliance with tax programs. • Low level of outstanding disputes. • Fair and consistent treatment of taxpayers.	• Percentage of returns filed on time; target: 97%. • Percentage of accounts with a nil balance; target: 97% • Percentage of objections filed to assessments and reassessments issued; target: 0.25%
• Reduce the cost of tax compliance for both government and taxpayers by simplifying processes and expanding the use of E-Business.	• Low costs of tax administration for both taxpayers and government. • Increased number of business entities using E-Business.	• Satisfaction with tax administration; target: 85%. • Satisfaction with compliance costs; target: 80%. • Costs per $100 collected; target: lowest in Canada. • Use of E-Business; target: one-third of all transactions in Tax and Revenue Administration conducted electronically by the end of 2003-04.
• Work in partnership with Ministry of Finance, Canada Customs and Revenue Agency and the other provinces to harmonize tax programs and processes.	• Increased harmony of tax programs between governments and reduced overlap and duplication.	• Acceptance of harmonization initiatives by other jurisdictions.

GOAL 4: SAFEGUARD PUBLIC ASSETS FROM ACCIDENTAL LOSS

Related Core Government Measures: Provincial Credit Rating

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Control the cost of risk and increase accountability of departments and agencies for safeguarding public assets from accidental loss.	• Public assets are protected from risk of significant accidental loss.	• Condition of the Risk Management Fund; target: fund assets and liabilities balance. • Satisfaction of ministries with services provided; target: 4 out of 5 satisfied or very satisfied.

GOAL 5: FOSTER A FAIR AND EFFICIENT CAPITAL MARKET

Related Core Government Measures: GDP

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
• Improve the regulatory and enforcement environments in Alberta, and maintain working relationships with industry, other securities regulatory authorities, regulators of financial institutions and government.	• A fair and efficient capital market in Alberta and confidence in that market.	• See Alberta Securities Commission Three-Year Business Plan 2001-04.

KEY PERFORMANCE MEASURES

ALBERTA HERITAGE SAVINGS TRUST FUND

TOTAL FUND

The market value rate of return of the Fund, which includes income and realized and unrealized capital gains or losses, is compared against the cost of the province's total debt (Canadian and U.S. dollar debt) on a market value basis.

RETURN ON COMBINED PORTFOLIO

(Period Ending December 31, 2000)

	Annualized Return 1 Year	2 Year	3 Year
Combined Portfolio Transition/Endowment	5.4%	6.1%	6.7%
Cost of province's total debt portfolio	10.0%	5.2%	6.6%

ENDOWMENT PORTFOLIO

The market value rate of return which includes income and realized and unrealized capital gains or losses, is targeted to exceed the rate of return, over a four-year period, of a benchmark portfolio.

ENDOWMENT PORTFOLIO PERFORMANCE

(Period Ending December 31, 2000)

	Actual Fund Market Return						Benchmark Portfolio Return*				
	Weightings at 31-Dec-00	1 Year	2 Year	3 Year	4 Year		Index Weight	1 Year	2 Year	3 Year	4 year
Short-term Fixed Income	4.1%	5.6%	5.4%	5.2%	4.8%	SC 91 Day T-Bill Index	3%	5.5%	5.1%	5.0%	4.5%
Long-term Fixed Income	36.1%	10.9%	4.9%	6.2%	6.6%	SC Universe Bond Index	37%	10.2%	4.4%	6.0%	6.9%
Canadian Equities	22.5%	8.1%	16.4%	11.0%	13.0%	TSE 300 Index	23%	7.4%	18.9%	11.7%	12.5%
Foreign Equities	31.9%	-8.9%	8.6%	13.8%	n/a	MSCI World Index (excluding Canada)	30%	-10.6%	2.5%	12.2%	14.3%
Real Estate	5.4%	7.2%	7.3%	9.0%	n/a	Russell Canadian Property Index	7%	11.8%	11.2%	12.8%	14.2%
Total Portfolio	100%	3.6%	9.0%	9.4%	10.2%		100%	3.4%	7.9%	8.8%	9.9%

Benchmark Portfolio Index Weight** (effective April 1, 2001)	
2%	SC 91 Day T-Bill Index
33%	SC Universe Bond Index
23%	TSE 300 Index
17.5%	S & P 500
17.5%	MSCI EAFE
7%	Russell Canadian Property Index
100%	

* The current benchmark portfolio index weight has been changed effective April 1, 2001. Future performance will be measured against the new benchmark portfolio shown to the left.

** For the definition of the indices see Attachment B of the Alberta Heritage Savings Trust Fund Business Plan in this volume.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Manage and Invest Assets Prudently	63,840	82,266	74,753	98,545	147,496	108,007
Administer Tax and Revenue Programs Fairly and Effectively	32,569	37,902	38,820	39,697	39,356	39,447
Protect Public Assets from Accidental Loss	6,296	7,618	7,165	7,801	7,803	7,808
Regulate Alberta's Capital Markets	11,772	13,086	13,943	15,460	16,147	16,618
MINISTRY EXPENSE	114,477	140,872	134,681	161,503	210,802	171,880

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	200	200	200	200	200	200
Personal and Corporate Income Taxes	6,354,892	6,608,764	5,944,727	6,050,556	6,257,547	6,395,124
Other Taxes	1,106,640	1,125,408	1,138,653	1,105,933	1,119,900	1,133,368
Investment Income	1,425,087	991,062	927,436	682,324	882,993	1,040,059
Premiums, Fees and Licences	11,792	13,114	13,482	14,237	14,927	16,108
Other Revenue	14,393	12,669	13,003	12,726	13,266	13,350
MINISTRY REVENUE	8,913,004	8,751,217	8,037,501	7,865,976	8,288,833	8,598,209
EXPENSE						
Program						
Tax and Revenue Collection	30,314	35,095	36,009	36,129	35,900	36,044
Investment Management	63,194	81,565	74,030	97,716	146,597	107,083
Government Risk Management and Insurance	6,062	7,390	6,936	7,546	7,546	7,546
Regulation of Capital Markets	11,772	13,086	13,943	15,460	16,147	16,618
Ministry Support Services	3,452	3,436	3,463	3,902	4,012	4,089
Valuation Adjustments and Other Provisions	(317)	300	300	750	600	500
MINISTRY EXPENSE	114,477	140,872	134,681	161,503	210,802	171,880
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	8,798,527	8,610,345	7,902,820	7,704,473	8,078,031	8,426,329

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	8,913,004	8,751,217	8,037,501	7,865,976	8,288,833	8,598,209
Inter-ministry consolidation adjustments	(72,036)	(62,038)	(61,793)	(37,453)	(24,078)	(23,221)
Consolidated Revenue	8,840,968	8,689,179	7,975,708	7,828,523	8,264,755	8,574,988
Ministry Expense	114,477	140,872	134,681	161,503	210,802	171,880
Inter-ministry consolidation adjustments	(23,898)	(24,464)	(25,476)	(25,515)	(25,724)	(26,225)
Consolidated Expense	90,579	116,408	109,205	135,988	185,078	145,655
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	8,750,389	8,572,771	7,866,503	7,692,535	8,079,677	8,429,333

Seniors

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Stan Woloshyn

Stan Woloshyn, *Minister of Seniors*
April 10, 2001

VISION

A vibrant province where all Albertans experience the quality of life to which they aspire.

MISSION

Through leadership, teamwork and innovation, we *advance the quality of life for Alberta's seniors and people in need of housing* by providing information, programs and services.

VALUES

In the pursuit of this mission, continued success is based on the following corporate values:

- Commitment
- Innovation
- Integrity
- Positive attitude
- Respect
- Teamwork

MINISTRY CORE BUSINESSES

Alberta Seniors provides leadership in advancing a high quality of life for Albertans through its two core businesses:

1. supporting the independence and well-being of seniors; and
2. supporting family and special purpose housing needs.

1. SUPPORTING THE INDEPENDENCE AND WELL-BEING OF SENIORS

GOAL

To enable seniors to access the supports they need to live as independently as possible in a secure and dignified way.

The independence and well-being of seniors is supported through:

- Coordination of seniors' issues across government;
- Communication with seniors about programs and services;
- Administration of income support programs for seniors in need;
- Coordination of housing support to lower-income seniors; and
- Supporting the activities of the Seniors Advisory Council for Alberta.

2. SUPPORTING FAMILY AND SPECIAL PURPOSE HOUSING NEEDS

GOAL

To effectively manage and coordinate family and special purpose housing to ensure individuals and families in need have access to basic housing accommodation, in partnership with community-based housing authorities.

The family and special purpose housing needs of Albertans are met through:

- Ensuring provincial policies and legislation direct resources to those in need of shelter assistance;
- Developing cost-effective ways of enhancing existing housing and creating the opportunity for development of new housing; and
- Ensuring organizations involved in the delivery and administration of special purpose housing operate effectively and meet acceptable standards of accountability.

LINK TO GOVERNMENT BUSINESS PLAN AND CROSS MINISTRY INITIATIVES

The Alberta Seniors business plan is closely aligned with each of the goals of the Government of Alberta's core businesses of People, Prosperity and Preservation. In carrying out its mandate, the ministry works collaboratively with ministries across government, as well as community and private sector organizations, to support initiatives that contribute to the government's vision. The ministry will participate in and support the cross ministry policy initiatives: Children and Youth Services Initiative, Aboriginal Policy Initiative and Economic Development Strategy.

Alberta Seniors welcomes the opportunity to lead the cross ministry Seniors Policy Initiative in 2001-02 by developing, in partnership with Alberta Health and Wellness, a government-wide strategic framework and 10-year action plan. This initiative reflects the priority placed on seniors' programs and services by the Government of Alberta. The Seniors Policy Initiative follows the completion of several important reports by government study groups such as the Steering Committee for the Government–Wide Study on the Impact of the Aging Population, and the Policy Advisory Committee for the Long Term Care Review. The Seniors Policy Initiative provides the coordinated context for translating these reports into concrete action for Alberta seniors.

In addition, the ministry continues to demonstrate its commitment to ensuring the success of the cross ministry key administrative initiatives: Corporate Human Resource Development Strategy, Alberta Corporate Service Centre Initiative, Corporate Information Management/ Information Technology Strategy, and Alberta One-Window Initiative.

CRITICAL SUCCESS FACTORS AND STRETCH TARGETS

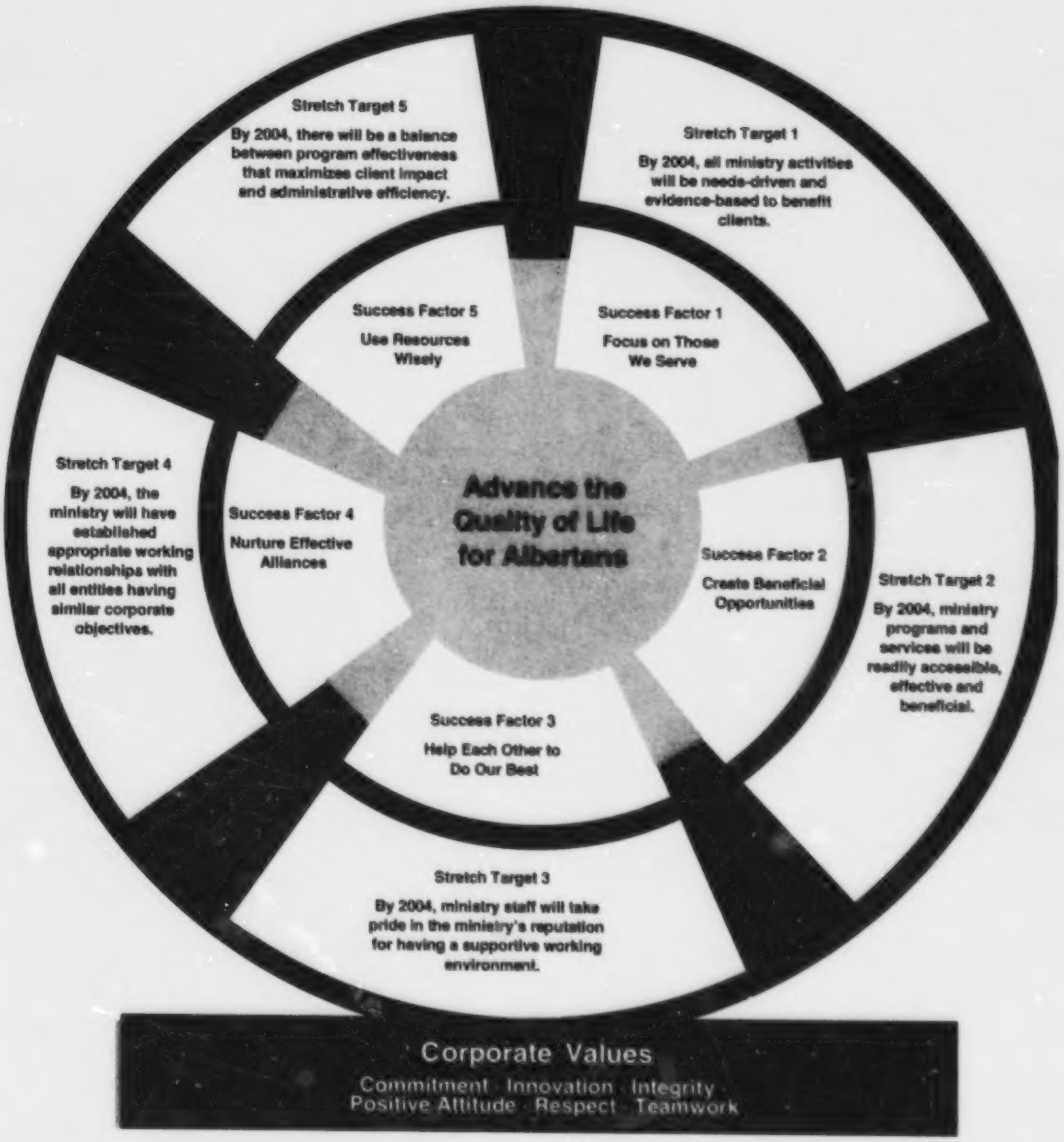
Five success factors that are critical to achievement of the ministry's mission have been identified. To be successful, the ministry must:

- Focus on those we serve;
- Create beneficial opportunities;
- Help each other to do our best;
- Nurture effective alliances; and
- Use resources wisely.

The ministry's business planning process has been designed to focus on this crucial link between the critical success factors and the ministry's mission. Each success factor is clarified below and "stretch targets" within each success factor highlight the ministry's commitment to continuous improvement and set the stage for definition of corporate initiatives that will move the ministry forward over the three-year period covered by this business plan.

SUCCESS FACTOR	STRETCH TARGET
Focus on those we serve • The ministry will work with Albertans to identify needs and an appropriate level of service within our legislated mandate and available resources.	• By 2004, all ministry activities will be needs-driven and evidence-based to benefit clients.
Create beneficial opportunities • The ministry will develop policies and deliver programs that advance the quality of life for Albertans through innovation and continuous improvement.	• By 2004, ministry programs and services will be readily accessible, effective and beneficial.
Help each other to do our best • Ministry staff will recognize each other's strengths, aspirations and needs, and work together to facilitate success.	• By 2004, ministry staff will take pride in the ministry's reputation for having a supportive working environment.
Nurture effective alliances • The ministry will seek, create and maintain, mutually beneficial relationships based upon shared goals.	• By 2004, the ministry will have established appropriate working relationships with all entities having similar corporate objectives.
Use resources wisely • The ministry will balance its resources to address the changing needs and expectations of our clients, while reflecting government-wide priorities and accountability requirements.	• By 2004, there will be a balance between program effectiveness that maximizes client impact and administrative efficiency.

The diagram below illustrates the relationship between the mission, success factors and stretch targets and the importance of the underlying corporate values in achievement of the mission.



Advance the Quality of Life for Albertans

Success Factor 1

Focus on Those We Serve

Success Factor 2

Create Beneficial Opportunities

Success Factor 3

Help Each Other to Do Our Best

Success Factor 4

Nurture Effective Alliances

Success Factor 5

Use Resources Wisely

Stretch Target 1

By 2004, all ministry activities will be needs-driven and evidence-based to benefit clients.

Stretch Target 2

By 2004, ministry programs and services will be readily accessible, effective and beneficial.

Stretch Target 3

By 2004, ministry staff will take pride in the ministry's reputation for having a supportive working environment.

Stretch Target 4

By 2004, the ministry will have established appropriate working relationships with all entities having similar corporate objectives.

Stretch Target 5

By 2004, there will be a balance between program effectiveness that maximizes client impact and administrative efficiency.

Corporate Values

Commitment · Innovation · Integrity · Positive Attitude · Respect · Teamwork

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CORPORATE INITIATIVES

Alberta Seniors has identified a number of key corporate initiatives that cut across the ministry's core businesses or that are significant in moving the ministry towards achievement of the "stretch targets" within each critical success factor. Each core business of the ministry delivers a range of programs and services. In addition to the ongoing activities, there are a number of actions planned that may be unique to the period covered by this business plan. The ongoing programs and services, and those activities designed to meet specific needs or events, are detailed in the division business plans.

FOCUS ON THOSE WE SERVE

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, all ministry activities will be needs-driven and evidence-based to benefit clients.	• Consult with ministry clients about their expectations and needs and seek the views and opinions of Albertans and the organizations that represent them on seniors' and family and special purpose housing concerns. • Lead the cross ministry Seniors Policy Initiative, in partnership with Alberta Health and Wellness, to strengthen the coordination of provincial government programs and services for seniors. Replace the *Government of Alberta Strategic Business Plan for Seniors* with a new strategic framework and 10-year action plan, with the goal of ensuring that programs and services meet the needs of current and future seniors and promote their quality of life, independence and choice. Incorporate the response to the *Government-Wide Study on the Impact of the Aging Population* into the 10-year plan to address the effects of an aging population on provincial programs and services. • Improve long-range planning based on data from Alberta Seniors Benefit, Alberta Health and Wellness, Canada Customs and Revenue Agency and Statistics Canada to predict/analyze scenarios seniors may encounter. • Improve our ability to estimate future housing needs.

CREATE BENEFICIAL OPPORTUNITIES

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, ministry programs and services will be readily accessible, effective and beneficial.	• Develop strategies, including greater use of information technology, to increase access to information and services of the ministry and related organizations. • Participate in the cross ministry Alberta One-Window Initiative to promote one-window access to government information. • Review ministry programs and services to identify opportunities for improving accessibility, effectiveness and efficiency. • Provide leadership and organizational assistance to seniors and housing organizations. • Increase assistance to lower-income seniors through the Alberta Seniors Benefit and through the provision of operational funding for additional seniors lodge units under the Lodge Assistance Program. • Finalize a Seniors Housing Policy Framework and implement the Family and Special Purpose Housing Policy Framework by coordinating community-based solutions to address the housing needs of Albertans. • Facilitate the development of new supportive housing for seniors through the Healthy Aging Partnership Initiative that provides one-time capital funding to regional health authorities that enter into agreements with housing providers. • Increase assistance to family and special purpose housing through the Rent Supplement Program. • Upgrade seniors lodges to address functional obsolescence and health and safety concerns.

HELP EACH OTHER TO DO OUR BEST

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, ministry staff will take pride in the ministry's reputation for having a supportive working environment.	• Further use of, and enhancements to, the ministry Intranet as an effective tool for sharing information on ministry and government-wide initiatives. • Optimize employee access to information technology support, tools and training as an effective means to enable employees to do their best. • Update the ministry Human Resource Plan and continue implementation of the government's Corporate Human Resource Development Strategy, including professional development opportunities, succession planning, learning and professional development accounts, and strategies to recognize long service and to celebrate successes. • Clarify responsibilities for ministry staff and the linkages with branch, division and overall ministry business plans through the ministry performance management process. • Implement strategies to address issues identified through employee surveys and other employee feedback mechanisms.

NURTURE EFFECTIVE ALLIANCES

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, the ministry will have established appropriate working relationships with all entities having similar corporate objectives.	• Strengthen existing alliances with other government ministries, municipalities and other levels of government; and community, private sector and non-profit organizations. • Identify and develop new partnerships with other government ministries, municipalities and other levels of government; and community, private sector and non-profit organizations. • Work together with ministries, seniors' service providers, seniors' organizations, and other stakeholders to develop and implement the cross ministry Seniors Policy Initiative. • Collaborate with Alberta Health and Wellness to form a Health and Housing Partnership, as recommended in the Broda Report, to work with stakeholders to identify and develop policies, standards and strategies required to expand supportive housing as an alternative to institutionalization to meet the needs of aging Albertans. • Promote community-based, inexpensive housing solutions by encouraging partnerships with municipal governments, community groups, and the private and non-profit housing sectors. • Conclude discussions with the Canada Mortgage and Housing Corporation toward a new federal/provincial social housing agreement. • Lead the implementation of the Homelessness Strategy in conjunction with other ministries, municipal governments, local authorities, community groups and the private sector.

USE RESOURCES WISELY

STRETCH TARGET	CORPORATE INITIATIVES
• By 2004, there will be a balance between program effectiveness that maximizes client impact and administrative efficiency.	• Maximize the efficiency of ministry operations and the effectiveness of ministry services through optimal use of information technology and information management including: improving Internet services to augment electronic access to ministry services and information; and optimizing the provision of planning and technical support to ministry users and for mission critical systems. • Participate in the government's Alberta Corporate Service Centre Initiative and the cross ministry Corporate Information Management/Information Technology Strategy. • Cooperate in the advancement of the government-wide capital planning initiative, including the Corporate Capital Overview, to facilitate planning and priority setting for the ministry's physical infrastructure program. • Develop an effective means of identifying the capital and operational requirements of the ministry's seniors and family and special purpose housing areas. • Ensure appropriate controls and systems are in place to meet the ministry's accountability obligations. • Monitor housing programs and work with municipalities and management bodies to ensure resources are directed to the housing needs of Albertans in an efficient manner.

PERFORMANCE MEASURES

The ministry assesses its performance in achieving the goals of each core business through a range of performance measures. In the following charts, the ministry key performance measures have been grouped under two overall "measures". Past results and targets are included where available.

MEASURE: SATISFACTION

	Results 1998-1999	Results 1999-2000	Target 2001-2004
Satisfaction of seniors with information provided: • Seniors Information Line • Seniors Services Centres • *Programs and Services for Seniors* booklet (Core business #1, Success factor #1)	Methodology revised	Methodology revised	To be established
Satisfaction of departments and agencies with the ministry's leadership and collaboration, and with the information, advice and analysis received (Core business #1 and #2, Success factor #1)	85.7%	86.7%	95%
Satisfaction of seniors housing clients with quality of accommodation and, where appropriate, services provided: • Seniors lodges clients • Self-contained housing clients (Core business #1, Success factor #1)	New measure	Methodology revised	To be established
Satisfaction of family and special purpose housing clients with quality of accommodation and, where appropriate, services provided (Core business #2, Success factor #1)	New measure	Methodology revised	To be established

MEASURE: QUALITY OF LIFE

	Results 1998-1999	Results 1999-2000	Target 2001-2004
Percentage of eligible seniors receiving the Alberta Seniors Benefit (Core business #1, Success factors #2 and #5)	New measure	New measure	To be established
Percentage of eligible applicants receiving the Alberta Seniors Benefit (Core business #1, Success factors #2 and #5)	99.3%	99.4%	100%

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Supporting the Independence and Well-being of Seniors	177,789	187,806	193,803	227,280	199,643	203,090
Supporting Family and Special Purpose Housing Needs	119,992	116,697	124,317	129,784	118,558	118,914
MINISTRY EXPENSE	297,781	304,503	318,120	357,064	318,201	322,004

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Transfers from Government of Canada	66,337	64,700	65,000	65,358	65,558	65,936
Investment Income	1,361	1,400	1,750	1,075	909	849
Other Revenue	16,372	8,836	11,250	7,255	6,044	4,670
MINISTRY REVENUE	84,070	74,936	78,000	73,688	72,511	71,455
EXPENSE						
Program						
Supporting the Independence and Well-being of Seniors	175,392	185,298	191,270	224,003	196,156	199,526
Supporting Family and Special Purpose Housing Needs	59,550	60,366	68,973	78,433	71,610	73,860
Ministry Support Services	3,484	3,695	3,733	4,877	5,200	5,319
Valuation Adjustments and Other Provisions	203	164	164	164	164	164
Program Expense	238,629	249,523	264,140	307,477	273,130	278,869
Debt Servicing Costs						
Alberta Social Housing Corporation	59,152	54,980	53,980	49,587	45,071	43,135
MINISTRY EXPENSE	297,781	304,503	318,120	357,064	318,201	322,004
Gain (Loss) on Disposal of Capital Assets	1,608	15,972	8,124	(370)	1,745	3,990
NET OPERATING RESULT	(212,103)	(213,595)	(231,996)	(283,746)	(243,945)	(246,559)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	84,070	74,936	78,000	73,688	72,511	71,455
Inter-ministry consolidation adjustments	(1,322)	-	(6,933)	368	-	-
Consolidated Revenue	82,748	74,936	71,067	74,056	72,511	71,455
Ministry Program Expense	238,629	249,523	264,140	307,477	273,130	278,869
Inter-ministry consolidation adjustments	(2,865)	-	(5,289)	(8,716)	-	-
Consolidated Program Expense	**235,764**	**249,523**	**258,851**	**298,761**	**273,130**	**278,869**
Ministry Debt Servicing Costs	59,152	54,980	53,980	49,587	45,071	43,135
Consolidated Expense	294,916	304,503	312,831	348,348	318,201	322,004
Gain (Loss) on Disposal of Capital Assets	1,608	15,972	8,124	(370)	1,745	3,990
Inter-ministry consolidation adjustments	(2,865)	-	(5,289)	(8,716)	-	-
CONSOLIDATED NET OPERATING RESULT	(213,425)	(213,595)	(238,929)	(283,378)	(243,945)	(246,559)

Solicitor General

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Forsyth

Heather Forsyth, *Solicitor General*
April 10, 2001

INTRODUCTION

Living, working and raising their families in safe communities is a top priority for Albertans and their provincial government. Through the goals and strategies of this 2001-2004 Business Plan, Alberta Solicitor General remains committed to building a justice system that is efficient, effective and responsive to the needs of all Albertans. The direction Albertans provided at the Justice Summit in 1999 continues to be the focus of the business plan. Through recent efforts to enhance community partnerships, protect victims, support the needs of families and children, and improve public knowledge and awareness, Alberta Solicitor General has already implemented several key recommendations from the summit. Through initiatives like the review of policing in Alberta, we will continue to consult with the public and will consider their input in developing future goals.

During the next three years, Alberta Solicitor General will continue to find ways to improve the way we do business and make the best use of resources. We will strengthen our partnerships with the judiciary, the legal community, Aboriginal people and our stakeholders in policing, community organizations, and local governments.

PLANNING ENVIRONMENT

Alberta Solicitor General has considered the following environmental factors in setting out our strategic objectives for 2001-04:

Social and Economic Change: Alberta's strong and vibrant economy continues to attract new residents from all over the world. Our cosmopolitan society is made up of many cultures and languages. It is important that the justice system be available, understandable and more sensitive to cultural diversity.

Demographics: Canada's population is aging. As life spans increase, so does the proportion of elderly who have a heightened susceptibility to and fear of crime.

Canada's Aboriginal population is growing twice as fast as the country's total population and it is proportionally younger. Between 2000 and 2011, the Aboriginal population is projected to increase by 22%, versus 12% for Alberta's total population. In Alberta, Aboriginal people represent approximately 6% of the total population and 36% of the prison population. We need to rise to the challenge of delivering services to Aboriginal people that will support community development and reduce the number of Aboriginal people coming into conflict with the law. We will work with other stakeholders to promote safe Aboriginal communities, and will partner with municipalities, non-governmental organizations, other government departments, Aboriginal peoples, and organizations to deal with urban Aboriginal issues.

Justice is a Shared Responsibility: Justice is a shared responsibility between federal, provincial, and municipal governments and communities. While the provincial Legislature is responsible for the administration of justice, the federal Parliament is mainly responsible for criminal law. The provincial and federal governments must work together to provide Canadians with a safe and secure country. However, federal legislation as well as judicial decisions can impose new obligations on the ministry that must be managed. Municipalities are responsible for policing within standards, guidelines, and frameworks set out by the provincial government. The Province and the Federal Government also each have a role. Crime prevention is promoted both federally and provincially, but is most successful when driven by community initiatives.

Public Confidence: Public confidence in the Ministry of Solicitor General drops as the public's fear of crime increases. There is more widespread and immediate access to crime event information through the media, which in turn increases the fear of crime. There was a 3.3% decrease in the violent crime rate and a 3.5% drop in the property crime rate between 1998 and 1999. Although Alberta's crime rates remain the lowest in western Canada, there remains a public perception that crime rates are rising. Alberta Solicitor General must, through the many programs and services that it provides, continue to promote the public's confidence in the justice system.

Technology and Globalization: Technology has facilitated the rapid movement of people, capital and information. While this has resulted in a global economy, it has also produced crime that is global in scope. The challenge for the ministry will be to partner with national and international enforcement agencies to produce a credible response to complex global economic and organized crime. New technology also creates opportunities for innovative approaches to increase accessibility and improve the efficiency of the justice system in Alberta. The cost of implementation is a hurdle that must be overcome.

ALBERTA SOLICITOR GENERAL VISION, MISSION AND CORE BUSINESSES

Our vision is a democratic and prosperous Alberta based on respect for the law, where all Albertans are safe in their homes and communities.

Our mission is to serve Albertans by promoting safe communities and by communicating with Albertans about the administration of justice.

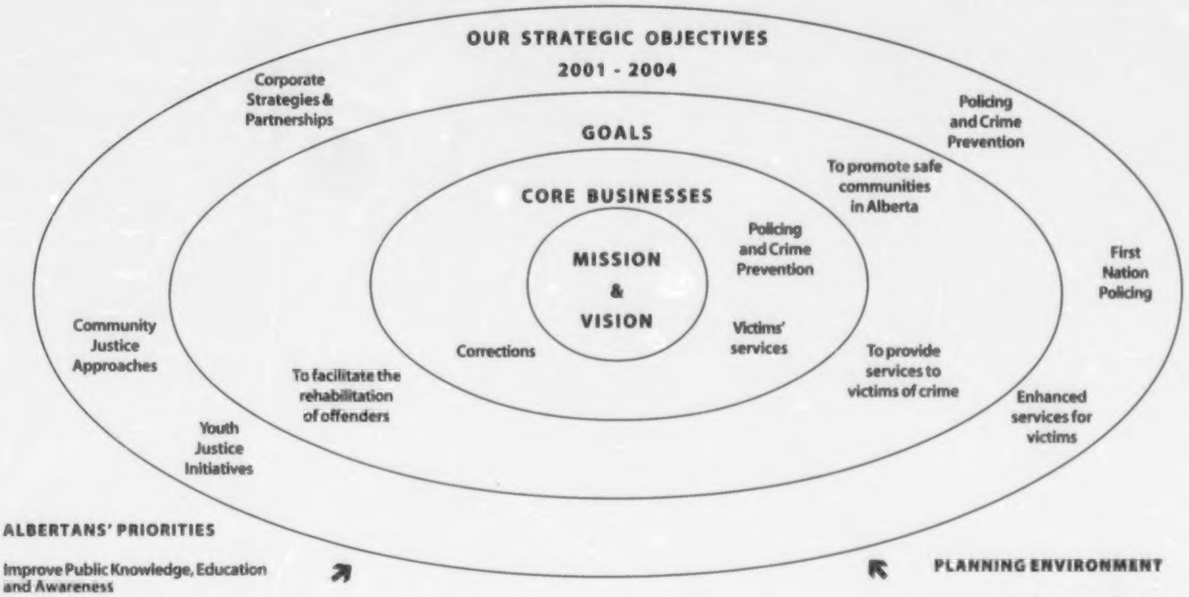
CORE BUSINESSES

The following core businesses are intended to reflect the primary responsibilities of the ministry and those organizations that report to the Minister:

- ***Policing and Crime Prevention:*** ensure safe communities in Alberta through adequate and effective policing and the promotion of crime prevention activities.
- ***Victims' Services:*** ensure victims are treated with dignity and respect and that they receive information and assistance during the police investigation and any criminal court proceeding that may result.
- ***Corrections:*** maintain effective and efficient correctional programs while ensuring offenders return to the community better able to positively contribute to society.

Successful implementation of the ministry's strategic objectives requires the coordinated interaction of our core businesses. In addition, we recognize that safe communities are a shared responsibility and, over the next three years, we will be working to develop and enhance the partnerships required to achieve results in each of these core business functions, as well as working through education and communication strategies to improve public knowledge and understanding about the administration of justice.

ALBERTA SOLICITOR GENERAL BUSINESS FRAMEWORK


OUR STRATEGIC OBJECTIVES
2001 - 2004
Corporate Strategies & Partnerships
Policing and Crime Prevention
GOALS
To promote safe communities in Alberta
CORE BUSINESSES
MISSION & VISION
Policing and Crime Prevention
First Nation Policing
Community Justice Approaches
Corrections
Victims' services
To provide services to victims of crime
To facilitate the rehabilitation of offenders
Enhanced services for victims
Youth Justice Initiatives

ALBERTANS' PRIORITIES

Improve Public Knowledge, Education and Awareness
Simplify the Justice System
Increase Sensitivity and Cultural Awareness
Enhance Community Partnerships
Clarify Accountability
Take Action on Previous Studies and Reports on Justice
Increase Funding
Create Alternatives in the Youth Justice System

PLANNING ENVIRONMENT

Social and Economic Change
Demographics
Justice as a Shared Responsibility
Public Confidence
Technology and Globalization

March 23, 2001

GOALS AND STRATEGIC OBJECTIVES

GOALS

In delivering our core businesses, Alberta Solicitor General is committed to fulfilling its vision, mission and mandate through three business plan goals. The Alberta Government's priority is preserving a safe society for Albertans where justice prevails.

1. **Promote safe communities in Alberta**

   Albertans have told us that they want peaceful communities in which they can live, work and raise families in safety and security without fear of crime or victimization. Drug dealing, prostitution, internet fraud and other forms of organized crime are especially unacceptable to Albertans. While each goal is important, virtually everything Alberta Solicitor General does is tested against the goal of safe communities.

2. **Provide services to victims of crime**

   Alberta Solicitor General is committed to providing effective services to victims of crime and expanding the role of the victim in the criminal justice system.

3. **Facilitate the rehabilitation of offenders.**

   When an individual engages in criminal activity, it is to the advantage of all Albertans that the individual be held accountable and encouraged to become a law-abiding member of society. It is important to recognise that for many offenders there is a root cause embedded in mental health problems or addictions. Unless we can identify and deal with these problems, both within and outside the justice system, we will simply be housing repeat and even more serious offenders. While the onus for change rests with the individual, it is believed that the change process can be facilitated through providing offenders with assistance and opportunities that promote positive and productive behaviours.

STRATEGIC OBJECTIVES

For this planning period, Alberta Solicitor General will focus on a number of key strategic objectives, which will improve the delivery of our core businesses in a manner that honors the priorities of Albertans. These strategic objectives are:

Policing and Crime Prevention:

Our policing and crime prevention strategic objectives are the principal means by which we will achieve Goal 1 - To promote safe communities in Alberta.

According to the Justice Summit findings, Albertans want their communities to be safe places to raise their families and do business. Crime prevention was identified as a necessary element of safe communities. A priority action will be to encourage community level involvement in crime prevention initiatives.

- In the coming year the ministry proposes to augment crime prevention initiatives by expanding the Provincial Crime Prevention Strategy and supporting the National Strategy on Community Safety and Crime Prevention.
- A Policing MLA committee has been appointed to conduct a public review of all aspects of policing in Alberta. This committee will consult with interested Albertans and make recommendations for changes to policing and the Alberta *Police Act*.
- The ministry will work with policing stakeholders to develop 'Alberta policing standards' and the means by which police service's performance in meeting these standards can be measured and compliance ensured.
- The ministry will develop a strategic plan for policing in Alberta in consultation with police executives and police commissions. The plan will provide a strategic vision for the work of both the Policing MLA committee and the Policing Standards steering committee. The outcome of this process will position Alberta as a Canadian leader in policing and contribute to safe communities.
- The ministry will continue to support the Federal *DNA Identification Act*. The *Act* will provide for the analysis and use of genetic material (DNA) to assist police in linking offenders to serious crimes. The prosecution status reporting system that was recently introduced has been refined and is currently being used to improve case management of the most serious and complex cases.

Upon completion of the MLA committee's review and the other reviews undertaken, Alberta Solicitor General will recommend that the Government bring forward amendments to the *Police Act* to ensure that Alberta is at the forefront of policing in Canada.

Enhanced Services for Victims:
The Summit on Justice recommended that victims become more involved in all stages of the resolution of a criminal act. Where appropriate, and where the victim voluntarily participates, the community justice process will involve the offender and will provide the victim with an opportunity for closure and healing.

*Enhanced involvement of victims in the criminal justice process is a principal means by which we will achieve **Goal 2** - To provide services to victims of crime.*

- To provide effective services to victims of crime and to expand the role of the victim in the criminal justice system, the Ministry will review current legislation from a victim's perspective.
- The services provided under the *Victims of Crime Act* will be evaluated and appropriate recommendations for change will be made.

Alberta Solicitor General will bring forward amendments to the *Victims of Crime Act* to make the Act run more efficiently and fairly.

Community Justice Approaches:
Delegates at the Summit on Justice acknowledged that prison sentences for certain types of crime are an effective and necessary option. However, they also recommended that increased effort should be made to hold offenders directly accountable, through the use of "restorative justice" processes, to the community and the individuals who have been harmed by their actions.

*Community Justice Approaches are some of the principal means by which we will achieve **Goal 1** - To promote safe communities in Alberta; and **Goal 3** - To facilitate the rehabilitation of offenders.*

- A new Community Justice Policy commits the Ministry to working in partnership with all stakeholders and other government ministries to make restorative justice options more widely available in the province. This policy enhances the Serious and Violent Crime Initiative by providing more opportunities for victims, should they choose, to become more directly involved in the criminal justice process and by providing more options for offenders to take responsibility for their actions.
- Alberta Solicitor General will continue its emphasis on offender work service contribution to their communities, with over one million hours of offender labour provided annually to non-profit community groups. The ministry will continue to provide support to the 87 existing Youth Justice Committees, whose volunteer members assist the justice system in sanctioning criminal offenders. Support will be extended to communities interested in establishing new Youth Justice Committees.
- Contingent on the capacity of the community, Alberta Solicitor General will consider the transfer of community corrections program management to Aboriginal communities expressing an interest and demonstrating a readiness. Also contingent on the capacity of the community is the transfer to community management of adult minimum-security camps.
- The Adult Alternative Measures Program will be reviewed and expanded where appropriate.

- Provincial correction facilities house offenders for two years less a day. The average length of stay is approximately 63 days. Serious criminals and recidivists need to be incarcerated; however, there is a significant benefit to effective community corrections programs for other offenders.
- Alberta Solicitor General will continue to support community based initiatives, such as the Calgary Domestic Violence Court, in facilitating the rehabilitation of offenders and promoting safe communities.

Youth Justice Initiatives:
Alberta Solicitor General plans to deliver young offender programs with an increased focus on greater cooperation and communication between partnering groups, including Aboriginal communities. The nature of the changes contemplated by the new *Youth Criminal Justice Act*, and the Summit's theme of placing more emphasis on diversion programs and community justice, supports these plans.

*Youth Justice initiatives are one of the principal means by which we will achieve: **Goal 1** – To promote safe communities; and **Goal 3** - To facilitate the rehabilitation of offenders.*

- Alberta Solicitor General will expand the use of Attendance Centres, an expanded Alternative Measures Program and an Intensive Support and Supervision Program as alternatives to traditional justice sanctions. At the same time, the ministry will ensure the continuing availability of custody and supervision programs appropriate to holding serious and violent offending youth accountable for their criminal conduct, and will continue to explore and support other restorative justice measures such as community conferencing.
- Working closely with Alberta Health and Wellness, Alberta Solicitor General will make available programs that provide an appropriate treatment response to young offenders experiencing mental health problems.

First Nations Policing:
It has been a long-term objective of Alberta Solicitor General to enable First Nations police services to address community law and order concerns. In this respect the Summit has noted, and the ministry agrees, that First Nations should ultimately provide services to their communities that are comparable to other similar communities in the province.

*First Nations Policing is one of the principal means by which we will achieve **Goal 1** - To promote safe communities in Alberta.*

- Further regionalization of existing First Nations police services will be reviewed in consultation with First Nations.

PERFORMANCE MEASURES

We continue to work on improving our business plan performance measures. This work includes finding better ways to measure achievement of desired outcomes through both qualitative and quantitative analyses. The following performance measures will reflect the results achieved for each of the ministry's business plan goals.* Targets for 2001-02 have not been adjusted from 2000-01 levels where performance is viewed as being at an appropriate level of excellence, and maintaining the current level of performance represents a significant challenge for the ministry.

* In the following tables, actual results are reported for the years 1997-98, 1998-99 and 1999-00. For 2000-01 the number reported is the target that was set in the 2000-01 Business Plan. At the time when the 2000-01 targets were set, the most recent actual figures available were from 1998-99. This accounts for some of the historical variation in numbers.

GOAL 1: PROMOTE SAFE COMMUNITIES IN ALBERTA

Performance Measure: Public Perception of Safety in the Home

This measure is defined as the percentage of Albertans who feel "somewhat safe" to "very safe" in their own homes. Although consistently high results have been recorded for this measure, the target has been set at 95% as this represents a significant challenge and level of excellence for a measure based on data obtained from a public survey.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
96%	95%	98%	95%	95%

Performance Measure: Public Perception of Safety in the Neighbourhood

This measure is defined as the percentage of Albertans who feel "somewhat comfortable" to "very comfortable" walking alone in their own neighbourhoods at night. The data is obtained from a public survey.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
76%	77%	80%	80%	85%

Performance Measure: Victimization Rate

This measure is defined as the percentage of Albertans who have reported being a victim of crime in the past year. It is a measure of public safety and is another way to assess how well the ministry is promoting safe communities in Alberta. The data is obtained from a public survey.

1997-1998	1998-1999	1999-2000	2000-2001 Target*	2001-2002 Target
24%	25%	21%	Below Canadian rate	21%

* The latest available Canadian rate is 25%. Alberta Solicitor General has chosen a more aggressive 2001-02 target of 21%, based on the achievement of that level in 1999-2000.

Performance Measure: Crime Rate

This measure is defined as the total number of *Criminal Code* incidents per 100,000 population as reported by the police. This measure is intended to identify the risk of Albertans becoming a victim of crime. Although all Albertans and all government ministries have a role to play in reducing crime, this measure represents our ministry's interest in dealing with crime and its consequences.

1997	1998	1999*	2000 Target*	2001 Target*
9,127	9,113	9,049	Canadian rate	Canadian rate

* For 1999, the Canadian rate was 7,733. Alberta's crime rate has been historically higher than the national crime rate. This may be due in part to a higher rate of reporting crimes in Alberta than is found nationally. On the other hand, Alberta's victimization rate is lower than the national rate. This result may be due to differing concepts of crime and victimization among survey respondents and between jurisdictions.

Performance Measure: Public Satisfaction with the Level of Policing

This measure is defined as the percentage of Albertans who feel "somewhat satisfied" to "very satisfied" with the level of policing in Alberta. The data is obtained from a public survey.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
78%	84%	82%	85%	85%

GOAL 2: PROVIDE SERVICES TO VICTIMS OF CRIME

Performance Measure: Number of Alberta Community Initiatives that Work in Partnership with Alberta Solicitor General

There are numerous justice initiatives throughout the province that involve the participation of the community. These ongoing initiatives include Correctional Centre Advisory Committees; Youth Justice Committees; Police and Non-police based Victim Services Units; First Nations Police Services; and First Nations Crime Prevention Programs. This measure represents the total number of community initiatives in partnership with Alberta Solicitor General.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
192	222	226	225	226

Performance Measure: Satisfaction Rate with Services Provided for Applicants Who Apply for Victim Financial Benefits

The *Victims of Crime Act* (1997) streamlined services to victims and established the authority to collect surcharges on offences under provincial statutes. Victims who have suffered physical or emotional injury or loss because of criminal offences can apply for financial benefits, and approximately 79 percent of applicants are currently approved for benefits through this program. Alberta Solicitor General surveys victims who apply for financial benefits to assess their satisfaction with the services they received.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
76%	77%	80%	79% or more	80%

GOAL 3: FACILITATE THE REHABILITATION OF OFFENDERS

Performance Measure: Outcome of Correctional Sanctions

This measures the number of supervision cases that were closed and the percentage of these cases that were successfully completed. Successful cases are those that responded well to correctional supervision and did not lapse into further criminal behaviours while subject to correctional intervention.

Successful Completion of Young Offender Probation Dispositions

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
New Measure				65%

Successful Completion of Adult Probation Sentences

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
New Measure				70%

Performance Measure: Successful Completion of Temporary Absence Supervision

The Temporary Absence Program allows for the release, under supervision, of select low-risk offenders, including intermittently sentenced offenders and fine defaulters. Offenders released under the Temporary Absence Program are involved in work or rehabilitative programs, or in the case of fine defaulters, community service work to satisfy their outstanding fines. The measure reflects the percentage of offenders on temporary absence who do not incur a new criminal charge while under supervision.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
New Measure				98.5%

Performance Measure: Percent of Offenders Involved in Work, Education, Treatment or Life Management Programs

This measures the percentage of incarcerated offenders involved in work, education and life management programs. While not all offenders are able to participate due to health reasons, court involvement, etc., these activities are important to help prepare offenders for a successful return to the community. Targets and results for this measure have varied greatly over the past three years due to methodological changes in calculating the measure's results. Methodological changes have been reviewed and validated by the Office of the Auditor General. If results remain consistent next year, then a higher target can reasonably be set.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
N/A	86%	94%	80%	90%

Performance Measure: Number of Hours of Community Service

Community service work is a program that allows offenders an opportunity to give something back to their communities and to learn positive work habits. Projects are completed for non-profit organizations, community groups, municipalities and government ministries. This measure reports on the contribution to the community of activities in which offenders are involved.

1997-1998	1998-1999	1999-2000	2000-2001 Target	2001-2002 Target
1.1 million	1.1 million	1.1 million	1 million	1.1 million

KEY CROSS MINISTRY INITIATIVES AND CORPORATE STRATEGIES

Alberta Solicitor General has identified several ministry-wide corporate strategies to develop effective support mechanisms to facilitate the achievement of Alberta Solicitor General business plan goals. In addition, Alberta Solicitor General is a partner with shared responsibilities within the government in many initiatives that seek to improve the quality of services to the public in areas not traditionally associated with the administration of justice. We will continue to champion or participate in collaborative efforts that support government-wide initiatives.

Aboriginal Policy Initiative: The economic and social well being of Aboriginal people and communities in Alberta does not compare favourably with that of other Albertans. These factors contribute to the over-representation of Aboriginal people in the criminal justice system, as victims and offenders. Alberta Solicitor General, as a member of the cross ministry priority Aboriginal Policy Initiative, will work with other ministries to develop targets and strategies that promote safe Aboriginal communities, and support economic and social stability through capacity building and self-reliance initiatives.

Children and Youth Services Initiative: Alberta Solicitor General will continue its involvement in the Children and Youth Services Initiative by participating in the Children's Mental Health, Fetal Alcohol Syndrome, Child Prostitution and Early Intervention Initiatives.

Three-Year Legislative Plan: Alberta Solicitor General will bring forward proposals for Police Act amendments as recommended by an MLA committee.

Human Resource Strategies: Alberta Solicitor General will ensure appropriate linkages between corporate direction and ministry implementation. The ministry human resource plan will address both achievement bonus criteria and corporate human resource plan goals. The measurement criteria will be based upon the provision of supports and strategies for continuous learning, the implementation of leadership development and continuity strategies, employee satisfaction data and effective processes for management of change and reorganization. Additional priorities will include classification and collective bargaining.

Information Management: In order that an effective information management system is in place to support the mandate of Alberta Solicitor General, the following steps will be undertaken. An overall data architecture will be prepared. Alberta Solicitor General will work with other Alberta government ministries, municipal police services, and national organizations to ensure that our management information conforms to provincial and national standards. Alberta Solicitor General will continue the process of consolidating a collection of separately designed, loosely interfaced systems to a more integrated suite of systems where data is stored more consistently and without redundancies. The resulting information management system will have the flexibility to analyze and understand new and emerging issues.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Corrections	105,026	112,839	114,294	117,612	119,786	122,529
Policing and Crime Prevention	100,717	105,431	105,403	123,641	127,389	132,498
Victims' Services	8,839	9,811	10,984	11,882	12,078	12,076
MINISTRY EXPENSE	214,582	228,081	230,681	253,135	259,253	267,103

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Transfers from Government of Canada	18,667	21,466	20,226	21,516	22,237	22,800
Investment Income	154	100	200	200	200	200
Premiums, Fees and Licences	325	300	300	325	325	325
Other Revenue	11,488	9,605	10,864	11,565	11,765	11,765
MINISTRY REVENUE	30,634	31,471	31,590	33,606	34,527	35,090
EXPENSE						
Program						
Ministry Support Services	4,092	4,901	4,901	5,728	5,695	5,826
Public Security	98,828	103,060	103,060	120,713	124,459	129,476
Correctional Services	103,056	110,303	111,753	114,827	117,032	119,734
Victims of Crime Fund	8,673	9,590	10,740	11,600	11,800	11,800
Valuation Adjustments and Other Provisions	(67)	227	227	267	267	267
MINISTRY EXPENSE	214,582	228,081	230,681	253,135	259,253	267,103
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	(183,948)	(196,610)	(199,091)	(219,529)	(224,726)	(232,013)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	30,634	31,471	31,590	33,606	34,527	35,090
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	30,634	31,471	31,590	33,606	34,527	35,090
Ministry Program Expense	214,582	228,081	230,681	253,135	259,253	267,103
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**214,582**	**228,081**	**230,681**	**253,135**	**259,253**	**267,103**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(183,948)	(196,610)	(199,091)	(219,529)	(224,726)	(232,013)

Sustainable Resource Development

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

M. Cardinal

Mike Cardinal, *Minister of Sustainable Resource Development*
April 10, 2001

STRUCTURE

The Ministry of Sustainable Resource Development includes the Department of Sustainable Resource Development, Natural Resources Conservation Board, Surface Rights Board and Land Compensation Board.

VISION

The development of Alberta's forest, fish and wildlife, and public lands resources within a policy, administrative and regulatory framework that benefits both present and future Albertans, the owners of the resources.

MISSION

Optimize the sustained contribution from Alberta's resources in the interests of Albertans.

CORE VALUES

The values of Albertans are reflected in policy directions about people, prosperity and preservation. Ministry core values are incorporated into the day-to-day work of the Ministry and are a unifying force among individuals that helps us perform in an integrated way.

At Alberta Sustainable Development we believe in:

1. **Commitment** to the vision, mission and goals of the Ministry.
2. **Respect** for the opinions of others.
3. **Informed decision-making** based on consultation, best available information and knowledge.
4. **Professionalism** and a high **quality** of service when **conducting** our business.
5. Honesty, **integrity** and **ethical behaviour**.

BUSINESS PRACTICES

Integrated Resource Management	We utilize a comprehensive approach to resource management decision-making.
Integrated Delivery	We strive to provide consistent, predictable and coordinated policies and decisions.
Client Service	We practice service excellence in all regions and communities of Alberta.
Science Based Decision-making	We use the best available knowledge and technology.
Public Involvement	We provide Albertans opportunities to contribute to decision making.
Intergovernmental Harmonization	We partner with all orders of government to harmonize policies, legislation and standards and establish clear accountabilities.

MINISTRY BUSINESSES, GOALS, KEY RESULTS AND MEASURES

CORE BUSINESSES

Alberta is rich in natural resources. Albertans own these resources, and the Ministry is responsible for sustainable development of Alberta's forest, fish and wildlife and public land resources.

The Department plays a leadership role in developing and managing Albertans' resources. The Department's core businesses are:

Industry Development

- Foster development, investment, trade and research in Alberta's forest resources.
- Foster development and research in Alberta's fish and wildlife and public land resources.
- Establish and optimize Albertans' share of revenue from forest, fish and wildlife and public land development.

Resource Stewardship

- Manage the disposition of timber, fish wildlife and public land allocations.
- Ensure Forest Protection.

Note: [CM] denotes response to cross ministry priorities

CORE BUSINESS 1: INDUSTRY DEVELOPMENT

Goal 1.1: Strengthen the competitiveness of the forest sector.

KEY STRATEGIC INITIATIVES

- Address environmental and surface access issues affecting the resource sector in a manner that is fair and equitable to ensure that resource development is not unduly constrained.
- Work in partnership with other ministries to develop more effective sustainable resource and environmental management consultation and approval processes in order to improve access to forest resources. [CM - Economic Development Strategy and Aboriginal Policy Initiative]
- Stimulate resource-related research aimed at new technological solutions and reducing development costs, in partnership with the Ministry of Innovation and Science. [CM - Economic Development Strategy]
- Participate with other ministries in the development of strategies to increase the availability of a trained and skilled workforce, including Aboriginal participation, for the resource sector and to leverage Alberta's expertise and innovation. [CM - Aboriginal Policy Initiative and Economic Development Strategy]

RESULTS	MANAGEMENT CHECKPOINTS
1. To be developed.	• To be developed.

Goal 1.2: Sustain growth opportunities in the forest resource sector through maximization of opportunity, secondary processing and exports of products.

KEY STRATEGIC INITIATIVES

- Lead the implementation and monitoring of a long-term strategy for forest industry development to support stable economic growth in the industry.
- Develop a revenue strategy and policies that balance a fair share of revenue with sector competitiveness, for the benefit of Albertans.
- Ensure a supportive land use and forest management policy that provides stability, continuity and clarity to the industry and enhances fibre opportunities.
- Nurture public awareness of forest industry management practices and the economic significance of the sector.
- Foster strategic alliances or supply agreements between primary and secondary manufacturers to improve the secondary manufacturers' access to raw materials. [CM - Economic Development Strategy]
- Manage the tenure process, through Forest Management Agreement renegotiations, to strategically add value across all forest sectors.
- Partner with International and Intergovernmental Relations and Economic Development to foster value-added development of forest products and facilitate market access. [CM - Economic Development Strategy]
- Work in partnership with other ministries to develop more effective sustainable resource and environmental management consultation and approval processes in order to improve access to energy, mineral and forest resources. [CM - Economic Development Strategy and Aboriginal Policy Initiative]

PERFORMANCE MEASURE

Target: Reduce the gap between the harvest and annual allowable cut. (under review)

The volume of timber determined to be available for harvest (annual allowable cut) in Alberta is based on what the forest will grow and supply on a sustainable basis, rather than the size of the industry. The sustainable harvest is calculated using only that portion of forest land base (e.g., excludes recreation areas, wildlife reserves, stream buffers, etc.) which the government makes available for timber harvest; and reflects the forest management strategies applied to that land base. Within the annual allowable cut (AAC), Sustainable Resource Development allocates timber to the industry. This measure compares the actual annual timber harvest with the approved AAC. The AAC, which is set by the province, identifies the opportunity for resource development.

Million m^3	1995	1996	1997	1998	1999	Estimate 2000
AAC	22.1	22.1	23.0	23.4	23.8	23.8
Harvest*	15.1	16.6	17.7	19.1	15.1	n/a
Gap	7.0	5.5	5.3	4.3	8.7	n/a

Source: Alberta Sustainable Resource Development

*Does not include fire-killed and salvaged Crown timber.

CORE BUSINESS 2: RESOURCE STEWARDSHIP

Goal 2.1: Protect Alberta's forests by preventing and suppressing wildfires.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Continue to respond to the recommendations outlined in the KPMG Alberta Fire Review 1998 Report. • Maintain firebases, lookouts and towers, ranger stations and remote airstrips. • Ensuring fire infrastructure and equipment are maintained and operated effectively. • Increase the capacity of industry, municipalities, Aboriginal and other communities to deal with wildfires through training.	• Infrastructure planning. • Operate, maintain and manage infrastructure for forest fire detection and prevention required for the Ministry's programs. • Provide effective forest fire detection and prevention programs and wildfire suppression activities within the "Forest Protection Area" and adjacent cooperative zones. • Maintain mutual aid initiatives between municipalities and the province for forest fire fighting. • Manage major forest pests and disease.

RESULTS	MANAGEMENT CHECKPOINTS
1. Keep the number of human caused fires within the Forest Protection Area from increasing; despite population growth and escalating fire start potential. 2. Rapidly detect and promptly report all wildfires occurring within the Forest Protection Area. 3. Initial attack on all wildfires within Alberta's Forest Protection Area is timely and effective. 4. Quickly contain escaped wildfires occurring within the Forest Protection Area and minimize fire losses. 5. Detect all major forest pest outbreaks within the first year of their occurrence; assess their potential impact; and control priority outbreaks. 6. Increased fire fighting capacity in aboriginal communities. 7. Ensure Ministry owned equipment and infrastructure are operated and maintained to satisfactory standards to deliver programs. 8. Undertake capital projects to support the effective management of infrastructure.	(Under review) • The number of human caused fires within the Forest Protection Area do not increase, despite population growth and escalating fire start potential. • Percentage of wildfires detected. • The percentage of wildfires occurring in the province's Forest Protection Area that are actioned. • Percentage of escaped wildfires that are contained within the first burning period. • The percent of major forest pest outbreaks detected during the first year of occurrence; the percent of major outbreaks assessed annually; and the percent reduction in affected area. • Percentage of Aboriginal communities with increased capacity in fire fighting. • Percentage of infrastructure and equipment rated as operationally safe. • Progress on priority capital projects.

Goal 2.2: Improve environmental stewardship of public land.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Provide guidelines, standards, regulations and legislation for environmental performance requirements to sustain the quality of Alberta's soil on public land. • Ensure the long-term sustainability of public lands for the benefit of Albertans.	• Monitor changes in soil on public land. • Allocate and manage public land for agricultural, industrial, commercial and conservation uses, through an integrated approach that considers all resource values in consultation with partners and customers. • Work with a broad range of stakeholders in developing a framework to better balance business and community development with the conservation of public land and open spaces.

RESULTS	MANAGEMENT CHECKPOINTS
1. Maintenance and improvement in the quality of soil and water resources. 2. Maintenance or improvement in the quality of public land resources. 3. Sustainable use of public lands by agriculture, other industries, the public and wildlife.	(Under review) • Land productivity index. • Range sustainability: average per cent utilization of allocated grazing capacity. • Number of land and resource allocations.

Goal 2.3: Promote fish and wildlife conservation.

KEY STRATEGIC INITIATIVES

- Manage the fish and wildlife resources of Alberta in a manner consistent with government policy statement for the benefit and enjoyment of the people of Alberta.
- Ensure that viable populations of wildlife species are maintained.
- Ensure viable fish populations are maintained.

PERFORMANCE MEASURE

(Under review)

Description: This measure shows the health of Alberta's fish and wildlife populations, based on data in the Ministry's *Status of Alberta's Wildlife* report (December 1996). The number consists of the following: Amphibians - 10; Mammals - 90; Birds - 370; Reptiles - 8; and Fish - 60. Every five years, a survey of the population status of fish and wildlife species is conducted. The general status assessments of all species will be conducted and summarized in a report entitled "*The Status of Alberta Species 2001*" for release in early 2001.

Report and Analysis: In 1995, there were approximately 538 species of fish and wildlife known to occur in Alberta. Of the 538 species of fish and wildlife found in Alberta, only two percent are considered at serious risk.

Target: Percentage of species at serious risk below five percent.

SUPPORT SERVICES

Goal 3: Manage the department in an effective, affordable manner and provide an attractive work environment for employees.

KEY STRATEGIC INITIATIVES	ACTIVITIES TO ACHIEVE OUR GOALS
• Participate in the implementation and ongoing operation of the Alberta Corporate Service Centre. Contribute to cross-government initiatives to support the Government Business Plan. • Expand the Department's focus on and commitment to providing quality service to both corporate and industry clients. • Implement human resource strategies aimed at improving staff retention, attraction and development. Build business excellence into Department business practices. • Continue to build a culture that fosters long term development of staff who are recognized for their leadership, commitment to teamwork and innovative practices. • Align the Department's organization and processes with the strategic direction of our business and culture.	• Provide access to information and effective records management. • Review and implement the Department's Operational Information Technology Plan and maintain and enhance electronic information technology transfer. • Manage the Ministry's budgeting, forecasting and financial operations processes. • Provide strategic communications planning and coordination for key ministry and government policies and initiatives.

RESULTS	MANAGEMENT COMPONENTS
1. Ministry business is conducted according to approved policies and procedures. 2. Ensure Ministry financial targets are achieved. 3. Management is provided with useful and timely information. 4. Financial and administrative training meets needs. 5. Support the integration of shared service partnerships including the Alberta Corporate Service Centre. 6. Develop integrated IT systems and architecture standards. 7. Optimal use of IT resources. 8. The department has the knowledge and abilities to accomplish current and future business plan goals. 9. The Leadership Continuity Plan encourages leadership development in all our employees.	(Under review) • Satisfaction of Department Executive and program managers. • Fiscal target is met. • Usefulness and timeliness of reports. • Identified staff receive required financial and administrative training. • Shared services savings transferred to program delivery. • Customer Service Agreements in place for shared support services. • IT Systems are developed to meet departmental business priorities and standards. • Hardware and software meets departmental business priorities and standards. • Staff knowledge of the Leadership Continuity Plan and alignment of their 2001-02 learning and development plans accordingly. PERFORMANCE MEASURE • Client Satisfaction - Establish a bench mark for Sustainable Resource Development.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Industry Development	62,862	71,313	66,114	69,763	71,044	72,532
Resource Stewardship	271,238	144,234	186,729	145,839	134,273	134,736
Debt Servicing Costs	2,901	-	-	-	-	-
MINISTRY EXPENSE	337,001	215,547	252,843	215,602	205,317	207,268

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	24,457	-	-	-	-	-
Transfers from Government of Canada	29,935	8,091	7,713	1,614	1,614	1,614
Investment Income	1,578	206	4,646	5,939	8,524	9,088
Premiums, Fees and Licences	146,432	135,176	124,973	135,327	137,570	137,207
Other Revenue	4,942	3,809	3,922	6,430	4,940	3,800
MINISTRY REVENUE	207,344	147,282	141,254	149,310	152,648	151,709
EXPENSE						
Program						
Business Sustaining Services	6,108	6,279	6,488	6,523	5,675	5,826
Client and Licensing Services	16,351	19,480	19,480	19,901	19,631	19,962
Enforcement Field Services	12,309	13,814	13,815	13,594	12,136	12,442
Fisheries and Wildlife Management	9,838	11,514	11,514	12,440	10,078	10,318
Forest Management	26,138	32,878	29,380	27,156	27,436	27,829
Forest Industry Development	2,530	2,682	2,682	2,682	2,682	2,682
Public Lands Management	10,108	10,350	10,333	11,250	11,950	12,354
Land Administration	16,511	15,978	15,072	19,689	19,767	20,259
Resource Data	10,807	8,708	7,908	8,771	8,864	8,988
Forest Protection	56,582	58,893	64,129	55,400	55,542	56,186
Fire Reclamation	17,000	4,000	4,000	4,000	-	-
Natural Resources Conservation Board	698	1,355	970	1,370	1,323	1,350
Surface Rights and Land Compensation Board	2,946	2,207	3,048	1,785	1,811	1,845
Environment Statutory Programs	2,674	4,000	5,000	7,500	5,000	3,850
Natural Resources Emergency Program	135,813	12,580	50,080	12,580	12,580	12,580
Amortization	5,805	5,774	5,962	5,906	5,787	5,742
Nominal Sum Disposals	-	4,000	1,927	4,000	4,000	4,000
Valuation Adjustments and Other Provisions	1,882	1,055	1,055	1,055	1,055	1,055
Program Expenses	334,100	215,547	252,843	215,602	205,317	207,268
Debt Servicing Costs						
Environmental Protection and Enhancement Fund	2,901	-	-	-	-	-
MINISTRY EXPENSE	337,001	215,547	252,843	215,602	205,317	207,268
Gain (Loss) on Disposal of Capital Assets	1,044	2,320	1,249	2,320	2,320	2,320
NET OPERATING RESULT	(128,613)	(65,945)	(110,340)	(63,972)	(50,349)	(53,239)

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	207,344	147,282	141,254	149,310	152,648	151,709
Inter-ministry consolidation adjustments	(24,483)	(67)	(50)	(67)	(67)	(67)
Consolidated Revenue	182,861	147,215	141,204	149,243	152,581	151,642
Ministry Program Expense	334,100	215,547	252,843	215,602	205,317	207,268
Inter-ministry consolidation adjustments	(2,700)	(8,067)	(6,977)	(11,567)	(9,067)	(7,917)
Consolidated Program Expense	**331,400**	**207,480**	**245,866**	**204,035**	**196,250**	**199,351**
Ministry Debt Servicing Costs	2,901	-	-	-	-	-
Consolidated Expense	334,301	207,480	245,866	204,035	196,250	199,351
Gain (Loss) on Disposal of Capital Assets	1,044	2,320	1,249	2,320	2,320	2,320
Inter-ministry consolidation adjustments	-	(2,320)	(1,249)	(2,320)	(2,320)	(2,320)
CONSOLIDATED NET OPERATING RESULT	(150,396)	(60,265)	(104,662)	(54,792)	(43,669)	(47,709)

Transportation

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Ed Stelmach

Ed Stelmach, *Minister of Transportation*
April 10, 2001

OUR MISSION

Alberta Transportation contributes to Alberta's economic prosperity and quality of life through the provision of a safe and efficient transportation network, water management facilities and environmentally safe water and wastewater infrastructure.

CORE BUSINESSES

- Improve road, driver and vehicle safety by: ensuring effective driver education and licensing standards; delivering vehicle and commercial carrier safety programs; monitoring the handling and transport of dangerous goods; managing driver records and problem drivers; implementing impaired driving programs; and overseeing the safe operation of provincial railways.
- Continually improve the provincial highway infrastructure through efficient planning, design, construction, rehabilitation, operation and maintenance. Provide design, construction and rehabilitation of major water management infrastructure.
- Through innovative partnerships, support municipalities in the provision of their overall transportation and water/wastewater infrastructure needs.
- Influence national and international policy on roads, busing, trucking, rail, air, passenger, accessibility, ports/marine, and border crossing service facilities.
- Represent Alberta's interests in internal and external trade agreements as they impact transportation.

LINKAGES TO THE GOVERNMENT BUSINESS PLAN

Of the three core businesses identified in the Government's Business Plan: *People, Prosperity and Preservation,* Alberta Transportation primarily supports the core business *Prosperity* through the provision of a safe and efficient transportation network and water management facilities and water/wastewater infrastructure. It also contributes to the two other government core businesses and their associated goals, as summarized on the next page.

GOVERNMENT BUSINESS PLAN	ALBERTA TRANSPORTATION BUSINESS PLAN
People:	
1. Albertans will be healthy.	1. Improve transportation safety and accessibility and provide capital funding for environmentally safe water/wastewater facilities (Goals 1, 2, 3).
2. Our children will be well cared for, safe, successful at learning and healthy.	2. Improve transportation safety and provide capital funding for environmentally safe water/wastewater facilities (Goals 1, 3).
6. The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.	6. Involve Aboriginal peoples in ministry projects (Goal 2).
Prosperity:	
7. Alberta will have a prosperous economy.	7. Construct and maintain highway and construct and rehabilitate water management infrastructure (Goals 2, 3).
8. Our workforce will be skilled and productive.	8. Enhance the Joint Workforce Development Initiative (Goal 5).
11. Alberta will have effective and efficient infrastructure.	11. Construct and maintain highway infrastructure and construct and rehabilitate water management infrastructure (Goals 2, 3).
14. Alberta businesses will increase exports.	14. Four-lane the North-South Trade Corridor, develop transportation policy, and harmonize truck weights and dimensions (Goal 4).
Preservation:	
15. Alberta will be a safe place to live and raise families.	15. Improve transportation safety (Goal 1).
17. The high quality of Alberta's environment will be maintained.	17. Rehabilitate and upgrade water management facilities, provide funding for municipal water and wastewater facilities, monitor the transport of dangerous goods, and support climate change initiatives (Goals 1, 2, 3).

GOALS AND STRATEGIES

GOAL 1: IMPROVE TRANSPORTATION SAFETY

OBJECTIVES	KEY STRATEGIES
1. Improve road user behaviour.	• Continue traffic safety strategies to improve driver, vehicle and highway safety, such as the "Walk the Talk About Back to School Safety Program", the "Summer Joint-Forces Check Stop Campaign", the "Snowmobile Safety Information and Education" program, and advertisement strategies which are aimed at promoting traffic safety messages. • Implement the *Traffic Safety Act* and its regulations, providing a legislative framework for safety issues (e.g., rules of the road) and new initiatives (e.g., graduated licensing).
2. Improve standards for the commercial carrier industry.	• With federal/provincial/territorial governments, review and streamline hours of service legislation for commercial carriers and ensure the rules are consistently applied in Alberta. • Develop and implement new initiatives to encourage the safe conduct of commercial carriers and drivers including fatigue management and professional driver training initiatives. • Support the development and implementation of an international cargo securement standard. • Continue a pilot program authorizing transport officers to enforce legislation against moving violations by drivers of commercial vehicles. • Monitor the handling and transport of dangerous goods.
3. Improve the delivery of services.	• Develop and implement a one-window permit system so commercial carriers can obtain all required permissions for overweight and overdimension transportation through one application. • With Justice, Solicitor General, Government Services, and Innovation and Science, allow enforcement services electronic access to ministry transportation safety data. • Develop a process to license private sector mechanics to repair and inspect vehicles written off in Alberta or other provinces.
4. Enhance rail safety.	• Provide for the safe operation of railways under provincial jurisdiction through the proclamation of the new *Railway Act*.

GOAL 2: ENHANCE TRANSPORTATION INFRASTRUCTURE PLANNING AND MANAGEMENT

OBJECTIVES	KEY STRATEGIES
1. Lead the cross-ministry Capital Planning Initiative.	• Support effective funding decisions with a long-term capital plan for both government-owned and supported infrastructure. • Continue to implement effective, independently verifiable Infrastructure Management Systems (IMS) and common key performance measures for owned infrastructure to improve planning and priority setting. • Develop a strategy for design and implementation of IMS and associated performance measures for supported infrastructure. • Continue to gain experience and identify best practices in public-private partnerships.
2. Continue to implement the recommendations of the Premier's Task Force on Infrastructure.	• Work with municipalities to complete the transfer to the Province of the management of secondary highways and key primary and trade highways through the cities. • Evaluate long-term funding requirements for municipal infrastructure in conjunction with the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties.
3. Efficiently administer infrastructure construction and maintenance contracts.	• Provide industry stakeholders access to the electronic distribution process for all ministry contract tendering documents. • Deliver the provincial highway construction and rehabilitation program effectively by ensuring that, each year, 50% of projects are available for tender by November 15 and an additional 25% by December 15. • With Alberta Environment, mitigate environmental issues within the provincial highway construction and rehabilitation programs.
4. Protect the integrity of highway infrastructure.	• Ensure the provincial highway network is properly maintained by ordering work, setting standards and monitoring private-sector contractor performance. • Research ways to manage and preserve the highway system. • Monitor and enforce truck weight limits on highways.
5. Support the Government's Aboriginal Policy Initiative.	• With other ministries, explore opportunities to expand the involvement of Aboriginal peoples in providing resources for ministry projects undertaken on their lands.
6. Facilitate the accessibility of Alberta's transportation system.	• Support the Alberta Advisory Committee on Barrier-Free Transportation and its initiatives, and ensure that accessibility is fully considered in the planning of Alberta's transportation infrastructure, including highway signing and rest area facilities. • Work with municipal partners to ensure funded transportation infrastructure (e.g., LRT and other transit facilities, and low-floor transit buses) are fully accessible to seniors and persons with disabilities.
7. Participate in climate change initiatives.	• Continue involvement in the national climate change process and represent departmental interests in key provincial environmental strategies (e.g., Climate Change Bureau and Climate Change Central).
8. Implement the Intelligent Transportation System Strategic Plan.	• Explore opportunities for the deployment of Intelligent Transportation Systems technologies to improve the safety and efficiency of the provincial transportation network. • Participate in national initiatives to promote and advance the development of Intelligent Transportation Systems.

GOAL 3: WORK WITH PARTNERS TO PROVIDE QUALITY TRANSPORTATION, WATER MANAGEMENT AND WATER/WASTEWATER INFRASTRUCTURE

OBJECTIVES	KEY STRATEGIES
1. Continue to provide funding to support municipal transportation and water/wastewater infrastructure.	• Implement the Infrastructure Canada/Alberta Program, a federal/provincial/municipal partnership providing approximately $500 million in funding over six years for "green" and other municipal infrastructure. • Provide the cities of Calgary and Edmonton with annual funding based on five cents per litre of fuel delivered for road use. Other cities will continue to receive Basic Capital Grant Funding on a per capita basis. • Provide cost-shared funding (comparable to funding provided to cities) on an annual population-based formula, for transportation projects in towns, villages, summer villages and hamlets. • Provide financial assistance to rural municipalities and Métis settlements for upgrading of their local roads and bridges. • Continue the Resource Roads/New Industry Program to assist rural municipalities, towns, and villages impacted by resource and new industrial-based traffic. • Provide funding through the Alberta Municipal Water/Wastewater Partnership to construct municipal water/wastewater facilities.
2. Protect the integrity and effectiveness of water management infrastructure.	• In partnership with Alberta Environment, complete construction of the South Heart River Dam Spillway Replacement project and continue with the Little Bow River and Carseland/Bow River Headworks Rehabilitation projects (subject to funding availability).

GOAL 4: IMPROVE ACCESS TO GLOBAL MARKETS

OBJECTIVES	KEY STRATEGIES
1. Develop the North-South Trade Corridor.	• Develop the North-South Trade Corridor until four-laning is substantially completed in 2007. The corridor runs from the United States border at Coutts to the British Columbia border west of Grande Prairie. Key projects during 2001-04 include Calgary's Deerfoot Trail extension and Edmonton's Anthony Henday Drive ring road.
2. Encourage consistent trucking standards between Canada and the United States.	• Improve access and reduce costs for transportation of goods along the Canada/America/Mexico (CANAMEX) Corridor, by encouraging western states to adopt harmonized truck weights and dimensions and implement international cargo securement standards. • Promote a seamless transportation logistics system for Alberta exporters. • Partner with Canadian and United States governments and the State of Montana to operate a joint border crossing facility in Coutts.
3. Improve air transportation for both passengers and cargo.	• Support, further to an Alberta Economic Development Authority initiative, the implementation of the Aviation Strategy Initiative to improve access to quality aviation facilities and services for passenger travel and import/export of goods.
4. Work with other jurisdictions in pursuing national programs and federal legislation to improve transportation of goods.	• With other provinces, obtain a commitment from the federal government for a Canada-Wide Transportation Strategy that will provide funding for upgrading of the National Highway System. • Promote the establishment of an efficient grain handling and transportation system that is based on commercial principles. • Evaluate trends in rural transportation (e.g., the impact of grain elevator consolidation and branchline abandonment on highways and local roads). • In co-operation with other ministries, continue advancing Alberta's position in the review of the *Canada Transportation Act*.

GOAL 5: CREATE A VALUE-ADDED ORGANIZATION

OBJECTIVES	KEY STRATEGIES
1. Build a workforce that can meet or exceed the challenges outlined in the business plan and support overall government goals and programs.	• Implement the new Transportation ministry through the effective reallocation of staff and other resources. • Partner with Alberta Infrastructure to effectively share strategic corporate services and work with Alberta Corporate Service Centre to manage transactional corporate service needs. • Recruit additional staff to undertake inspections and enforce motor carrier vehicle regulations, and ensure the appropriate level of support for the delivery of operational and capital programs to the transitioned secondary highways and key primary highways through cities. • Provide ongoing support and resources to manage emerging government priorities as needed, such as managing the Capital Planning Initiative on behalf of Government.
2. Update and implement the Human Resource Plan.	• Train staff and foster an environment based on teamwork. • Ensure leadership continuity within the ministry by developing an effective succession plan. • Implement recommendations from the Human Resource Advisory Committee regarding staff development and improving staff morale. • In co-operation with Alberta Infrastructure, enhance the Joint Workforce Development Initiative by working with industry and educational institutions to attract, train and develop members of the construction and consulting industries and the public service. Continue with the employee exchange program and implement a mentoring initiative. • Undertake work climate surveys to measure how well the workplace environment meets employee needs. • Encourage and support the Alberta Infrastructure/Alberta Transportation Wellness at Work Team to promote the physical and mental well-being of employees, improve working relationships and enhance the corporate image of the ministry. Also support the ongoing implementation of the co-operative Rewards and Recognition Program.
3. Provide top-quality programs and services to clients.	• Undertake an annual client satisfaction survey to measure the services provided by Alberta Transportation. • Based on survey results, undertake improvements to programs and services to meet client needs.

CORE PERFORMANCE MEASURES

GOAL 1: IMPROVE TRANSPORTATION SAFETY

Traffic Safety Measure

The ministry is developing a new measure that will report on the successes of one or more of the new traffic safety programs and initiatives, and will allow the ministry to gauge the effectiveness of driver education programs.

Mechanical Safety of Commercial Vehicles

This measure is defined as the percentage of commercial vehicles that are rendered out-of-service (using nationally-recognized criteria) when inspected by ministry staff at roadside checks. Our goal is to achieve *no more than* the percentages indicated in the targets in the table below.

	Results	Targets	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
Maximum % of inspected vehicles requiring on-site adjustments	23.3	25.0	25.0	25.0	25.0
Maximum % of inspected vehicles requiring attention of a mechanic	5.0	5.0	5.0	5.0	5.0

GOAL 2: ENHANCE TRANSPORTATION INFRASTRUCTURE PLANNING AND MANAGEMENT

The Capital Planning Initiative Report of March 2000 identified three long-term performance measures to be used across government to report on the management of physical infrastructure:

Physical Condition – the percentage of physical infrastructure rated as being in acceptable condition;

Utilization – the percentage of physical infrastructure for which utilization level is within targeted capacity;

Functional Adequacy – the percentage of physical infrastructure that provides acceptable functional service.

Planning and Management of Provincial Highways

	Results	Targets	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
A) Physical Condition: % of provincial highways with IRI* of *fair* or better	95	95	95	95	95
B) Utilization: % of provincial highways with LOS** of C or better	98	98	98	98	98
C) Functional Adequacy: % of provincial highways meeting target criteria for functional adequacy	To be determined				

* IRI is the International Roughness Index. It measures the physical condition of a highway according to the United States Federal Highway Administration ratings specified in section A below.

** LOS is Level of Service which is measured according to an international scale explained in section B below.

A) Physical Condition of Provincial Highways

This measure is an indicator of the riding comfort for the travelling public on highways under provincial jurisdiction. Provincial highways include the primary highways and all secondary highways that are being brought under ministry direction, control and management. The results and targets in the table above relate to the percentage of the provincial highway network rated as meeting or exceeding a predetermined IRI value. (The United States Federal Highway Administration has established the following benchmarks for IRI. Generally speaking, non-interstate highways can be compared to Alberta's provincial highways.)

United States Federal Highway Administration Standard

IRI Rating	United States Interstate	Non-Interstate
Very Good	Less than 0.95	Less than 0.95
Good	0.95 - 1.49	0.95 - 1.49
Fair	1.50 - 1.89	1.50 - 2.69
Poor	1.90 or Greater	2.70 or Greater

B) Utilization of Provincial Highways

Utilization of provincial highways is defined by the percentage of the network that is equal to or better than a targeted LOS. If a highway meets or exceeds this targeted level, it is being utilized as planned. The targeted LOS for provincial highways is C, as that level triggers future upgrading. LOS is an international measure based on the ability of traffic to move freely. The scale ranges from A to F, with A representing no restrictions on traffic flow, and F representing a breakdown of flow.

The LOS calculations are based on methodology outlined by the United States Transportation Research Board. Its applicability to Alberta conditions is being reviewed. Also, since the province is assuming jurisdiction of secondary highways, the data sources for the calculation are being updated and the targets may require adjustment.

C) Functional Adequacy of Provincial Highways

Functional adequacy is defined by the percentage of road infrastructure that is rated as meeting target criteria. A provincial highway is functionally adequate if the roadway is a standard width and if the traffic is unrestricted by speed postings due to geometrics or road bans. Complete data for this measure is unavailable at this time.

GOAL 3: WORK WITH PARTNERS TO PROVIDE QUALITY TRANSPORTATION, WATER MANAGEMENT AND WATER/WASTEWATER INFRASTRUCTURE

Progress on Completion of Major Water Management Construction Projects

	Results	Targets	Business Plan Targets		
Project	1999-2000	2000-01	2001-02	2002-03	2003-04
South Heart River Dam Project	—	50	100	—	—
Little Bow River Project	—	20	50	95	100
Carseland/Bow River Headworks Rehabilitation (subject to funding availability)	—	2	3	9	19

This measure is based on the percentage of total construction costs paid to contractors reflecting construction progress on each project.

GOAL 4: IMPROVE ACCESS TO GLOBAL MARKETS

Construction Progress on the North-South Trade Corridor

	Results	Target	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
% of four-laning open to travel	57.3	69.0	73.0	75.0	80.0

This measure is defined as the percentage (urban and rural) of the North-South Trade Corridor being twinned that is open to travel. This corridor consists of 1,175 kilometres of highway, of which nearly 100 kilometres are within cities.

GOAL 5: CREATE A VALUE-ADDED ORGANIZATION

Client Satisfaction Survey

This measure is being developed. Data collected in 2000-01 will enable the ministry to develop a measure and set targets for future years.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Road, Driver and Vehicle Safety Improvements	25,644	26,517	27,967	29,748	30,079	30,530
Road Infrastructure	502,059	527,971	526,566	651,900	566,031	490,206
Municipal and Other Infrastructure	608,187	537,350	333,500	378,500	173,950	60,050
MINISTRY EXPENSE	1,135,890	1,091,838	888,033	1,060,148	770,060	580,786

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
CAPITAL INVESTMENT						
Core Business						
Road, Driver and Vehicle Safety Improvements	3,936	3,300	3,300	3,313	3,300	3,300
Road Infrastructure	212,769	335,032	335,032	473,395	524,106	285,881
Municipal and Other Infrastructure	10,611	7,072	7,072	5,772	7,272	7,972
MINISTRY CAPITAL INVESTMENT	227,316	345,404	345,404	482,480	534,678	297,153

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	91,700	20,000	20,000	70,000	35,000	15,000
Transfers from Government of Canada	575	451	451	451	451	451
Investment Income	427	-	-	-	-	-
Premiums, Fees and Licences	14,712	11,588	11,588	14,270	11,395	11,479
Other Revenue	14,850	3,335	3,335	3,385	3,410	3,910
MINISTRY REVENUE	122,264	35,374	35,374	88,106	50,256	30,840
EXPENSE						
Program						
Provincial Highway Systems	361,361	362,623	361,173	316,379	315,126	261,846
Transportation Safety Services	18,753	20,380	21,830	23,483	23,808	24,251
Municipal Partnerships	606,296	535,350	331,500	376,500	171,950	58,050
Infrastructure Canada / Alberta Program	-	-	-	138,000	33,028	-
Support Services	39,674	40,545	40,590	41,846	42,208	42,699
Amortization	100,668	123,440	123,440	148,440	168,440	178,440
Consumption of Inventories	9,043	9,500	9,500	15,500	15,500	15,500
Valuation Adjustments and Other Provisions	95	-	-	-	-	-
MINISTRY EXPENSE	1,135,890	1,091,838	888,033	1,060,148	770,060	580,786
Gain (Loss) on Disposal of Capital Assets	3,551	-	-	-	-	-
Write Down of Capital Assets	(248)	-	-	-	-	-
NET OPERATING RESULT	(1,010,323)	(1,056,464)	(852,659)	(972,042)	(719,804)	(549,946)

CAPITAL INVESTMENT

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Program						
Provincial Highway Systems	179,718	306,782	306,782	443,001	495,106	257,489
Water Management Infrastructure	40,505	32,622	32,622	33,572	33,572	33,572
Support Services	7,093	6,000	6,000	5,907	6,000	6,092
CAPITAL INVESTMENT	227,316	345,404	345,404	482,480	534,678	297,153

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	122,264	35,374	35,374	88,106	50,256	30,840
Inter-ministry consolidation adjustments	(91,700)	(20,000)	(20,000)	(70,000)	(35,000)	(15,000)
Consolidated Revenue	30,564	15,374	15,374	18,106	15,256	15,840
Ministry Program Expense	1,135,890	1,091,838	888,033	1,060,148	770,060	580,786
Inter-ministry consolidation adjustments	(9,043)	-	-	-	-	-
Consolidated Program Expense	**1,126,847**	**1,091,838**	**888,033**	**1,060,148**	**770,060**	**580,786**
Gain (Loss) on Disposal of Capital Assets	3,551	-	-	-	-	-
Write Down of Capital Assets	(248)	-	-	-	-	-
Inter-ministry consolidation adjustments	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(1,092,980)	(1,076,464)	(872,659)	(1,042,042)	(754,804)	(564,946)

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

Alberta Heritage Savings Trust Fund Business Plan

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The business plan was reviewed and approved by the Legislature's Standing Committee on the Alberta Heritage Savings Trust Fund on January 17, 2001.

INTRODUCTION

- The Alberta Heritage Savings Trust Fund (the Fund) was created in 1976 as a means to provide savings of non-renewable resource revenue. The Fund grew from a portion of Alberta's oil and gas revenue being deposited into the Fund since inception in 1976 and until 1987. As well, prior to 1982, the Fund kept its investment income. The size of the Heritage Fund peaked in 1987 at $12.7 billion (at cost) and then declined by the amount of the annual Capital Projects Division expenditures (the last year of spending by the Capital Projects Division was 1994-95).
- The Fund has subsequently grown again from income retained in the Fund in recent years to protect the real value of the Fund. The current value of the Fund, at cost, is $12.256 billion.
- On January 1, 1997 the Heritage Fund was restructured in response to a public review of the Fund. The restructuring included a new governance structure as well as the establishment of clearer investment objectives and performance measures. The Fund's first business plan was implemented in January 1997.

FISCAL CONTEXT

- Assets and income of the Heritage Fund are fully consolidated with the assets and revenue of the province.
- In March 1999, the Fiscal Responsibility Act (FRA) was approved by the Legislature. The FRA sets out a legislated schedule to eliminate the Province's accumulated debt by March 31, 2025. The FRA also grants the Minister of Revenue the discretion to protect the real value of the Alberta Heritage Savings Trust Fund when revenue is sufficient to do so. A payment to the Fund of $230 million to protect its real value was made at the end of the 1999-2000 fiscal year.

PURPOSE

- This is the fifth business plan for the Heritage Fund, which amends the previous business plans and incorporates updated financial information and income forecasts. This plan sets out the broad objectives of the Fund as expressed in the legislation, specific investment objectives, goals and strategies to achieve the Fund's objectives, and performance measures.

2001-04 BUSINESS PLAN

The 2001-04 business plan incorporates the following changes:

1. Increase the Endowment Portfolio foreign and total equity weightings. The Endowment Portfolio is now larger than the Transition Portfolio and the focus of the Fund continues to move to the long term, with an exposure to equities. As equities are expected to outperform fixed assets over the long term, it is appropriate to increase the total equity weighting of the Endowment Portfolio and also the exposure to foreign equities. The increased weighting to equities and to foreign equities will also improve the diversification and risk profile of the Endowment Portfolio. A 5% increase in the weighting to total equities and foreign equities at the expense of debt investments is provided for along with corresponding changes in the benchmarks.

2. Amend the Endowment Portfolio benchmarks. Consistent with the change in the equity weightings is a change in the foreign equity benchmark to reflect specific benchmark allocations to US and non-North American equities and appropriate index comparisons, respectively, the Standard & Poors 500 Index and the Morgan Stanley EAFE Index. These changes will allow for closer monitoring of the Endowment Portfolio's, and eventually the Heritage Fund's, investment performance, portfolio diversification and risk control.
3. Establish a revised range for the transfer of assets from the Transition Portfolio to the Endowment Portfolio. Initially, $1.2 billion was transferred annually or $100 million monthly. For the 2000-01 fiscal year, a range of $1.2 billion to $2.4 billion was established for the annual transfer and $2.4 billion is expected to be transferred by the fiscal year end. A range of $1.2 billion to $3.6 billion is now established for the annual transfer. As the Endowment Portfolio now exceeds the Transition Portfolio, the Transition Portfolio's focus has moved to providing greater liquidity to facilitate the transfers to the Endowment Portfolio. This requires the Portfolio to maintain short-term assets that act as a drag on the total fund performance. To maintain the Heritage Fund performance and reduce the "cash drag", the transfers are increased so as to liquidate the Transition Portfolio by 2003. This would also allow flexibility to take advantage of market conditions or opportunities without compromising the discipline of "dollar-averaging" (the systematic investing of funds over time) used in the transition.
4. Eliminate the Transition Portfolio performance benchmark. With the Transition Portfolio rapidly reducing in size and the increasing need for investments to be liquid, the performance benchmark would need continual adjustment as the term of the Portfolio reduces. More importantly, the Endowment Portfolio performance will be the major determinant of the Heritage Fund returns. The pertinent benchmarks are now the total return of the Heritage Fund, including the Transition Portfolio, and the benchmark for the Endowment Portfolio, which will eventually be the return for the whole Fund. The individual benchmark for the Transition Portfolio has been eliminated, as it will be increasing meaningless as the Portfolio's assets decline and liquidity needs grow.
5. Increase investment limits in the Transition Portfolio for bonds but leave Alberta bond holdings at 15%. The limits allow for increased diversification now that Alberta holdings have been reduced to an adequate level.

HERITAGE FUND STRUCTURE

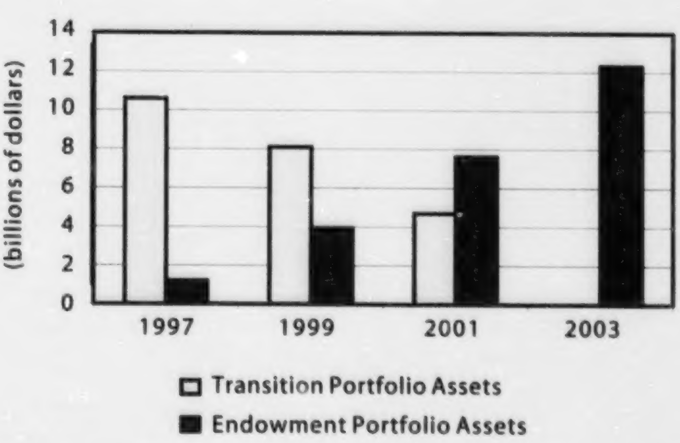
The **mission** of the Heritage Fund is as follows:

"To provide prudent stewardship of the savings from Alberta's non-renewable resources by providing the greatest financial returns for current and future generations of Albertans."

- The government keeps it books on a consolidated basis and therefore Heritage Fund income is included in consolidated income for the province. Consequently, the level and variability of Heritage Fund income is important to the government's fiscal plan. The government's fiscal plan includes consolidated annual income from the Heritage Fund of $551 million for 2001-02, down from $733 million in 2000-01.

- Income will vary significantly from year to year for the following reasons:
  1. An investment policy to maximize long-term returns implies a significantly higher weighting towards investments in equities in comparison to the equity holdings at the time the Fund was restructured. Equities have historically provided investors with higher total returns (dividends and capital gains) than fixed income investments, however, dividend rates in general are lower than interest rates thereby providing lower current income. The timing of realizing capital gains is also uncertain.
  2. The well-established capital market principle that increased returns, as provided by equity investments, are accompanied with increased risk or return volatility means that the Fund's income will be more variable.
- In order to provide for an orderly transition between the need for current income and long-term investment goals, the Heritage Fund was divided into two separate portfolios: a Transition Portfolio and an Endowment Portfolio.
- The overall performance of the Fund is compared to the Province's borrowing cost.
- The Transition Portfolio is invested primarily in interest-bearing securities to generate current income to support the Province's fiscal plan and to provide liquidity to facilitate transfers to the Endowment Portfolio. The Transition Portfolio has supported the Province's current income but now sees its role diminish as it is reduced in size and the Endowment Portfolio grows over the transition period.
- The Endowment Portfolio, which will be the whole Heritage Fund within a few years, is invested in a diversified portfolio including interest bearing securities, Canadian equities, international equities, and real estate. The Portfolio is invested to generate long-term returns to support the Province's income and spending needs.
- The 1996-1997 re-structuring of the Heritage Fund allowed for a ten-year transition where all assets would be transferred from the Transition Portfolio to the Endowment Portfolio by December 31, 2005 based on minimum annual transfers of $1.2 billion. With the $2.4 billion transfer for 2000-01 and $3.6 billion for 2001-02, the Transition Portfolio should be eliminated by 2003.

SCHEDULE OF TRANSITION*
(at March 31)



* Based on annual transfers of $1.2 billion to March 31, 2000; $2.4 billion to March 31, 2001 and $3.6 billion thereafter until the Transition Portfolio is eliminated.

Heritage Fund Assets Breakdown as at December 31, 2000

(thousands of dollars)

Heritage Fund Investments	**At Cost***	**Fair Value**
Endowment Portfolio		
Cash	74,895	74,895
Fixed Income Securities	2,827,116	2,775,656
Canadian Equities	1,321,123	1,591,538
Foreign Equities	2,409,544	2,257,774
Real Estate	364,577	383,497
Total Investments - Endowment Portfolio	6,997,255	7,083,360
Transition Portfolio		
Cash	39,312	39,312
Fixed Income Securities	4,650,653	4,666,151
Provincial Corporation Debentures	379,490	458,861
Subtotal	5,069,455	5,164,324
Loans		
Ridley Grain Ltd.	91,245	91,245
Vencap Acquisition Corporation	6,114	6,114
Subtotal	97,359	97,359
Total Investments - Transition Portfolio	5,166,814	5,261,683
Total Heritage Fund Investments	**12,164,069**	**12,345,043**
Accrued Interest and accounts receivable	104,240	104,240
Due to the General Revenue Fund	(11,990)	(11,990)
Heritage Fund Equity	**12,256,319**	**12,437,293**

* Cost includes amortization of purchase price discount or premium.

GOALS, STRATEGIES AND OUTPUTS, OUTCOMES AND PERFORMANCE MEASURES

The legislated investment objective of the **Endowment Portfolio** is:

Investments shall be made with the objective of maximizing long-term financial returns.

- Given a long-term investment horizon, investment practice suggests that a mix of equities (including real estate) and interest-bearing securities best achieves the objective of optimizing financial returns as it provides enhanced returns and diversifies risk. A long-term investment horizon generally means 10 years, however, for investment performance comparisons a minimum period of 4 years will be examined. Emphasis on "long-term" in the investment objective is designed to help the investment manager continue to plan and execute strategies in a long-term context at times when short-term pressures exist.

The legislated investment objective of the **Transition Portfolio** is:

Investments shall be made with the objective of supporting the government's short-term to medium-term income needs as reflected in the government's consolidated fiscal plan.

What is the best approach in achieving this objective?

- To support the Province's revenue needs, the Transition Portfolio is required to generate a stable source of income. Consequently, it is important the assets be revenue generating, and not exposed to significant credit risk. Additionally, due to the transfer program, assets need to be liquid (easily traded) so as to facilitate the monthly transfers to the Endowment Portfolio. This is accomplished by having a high quality portfolio of bonds and money market securities.
- The Endowment Portfolio contains a substantial holding in fixed income securities including bonds and mortgages. These assets, like the Transition Portfolio, provide a stable source of revenue to the Province, as does the income from real estate investments.
- In the past, the Transition Portfolio has been compared to the cost of the Province's debt. As the Transition Portfolio declines in size and the liquidity needs increase, due to the transfer program, this comparison has become less and less meaningful.
- The total Heritage Fund represents the Province's asset that is compared against the province's liabilities. Hence, the performance of the Heritage Fund is compared against the cost of the Province's debt.

GOAL 1: EARN INCOME TO SUPPORT THE GOVERNMENT'S CONSOLIDATED FISCAL PLAN

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/ BENCHMARKS
• Invest Transition Portfolio assets in accordance with the investment industry standard "Prudent Person Rule" which assigns the investment manager responsibility to restrict investment to assets that would be approved by a prudent investor.	• A level of income to the government's fiscal plan without undue variation to the Province's bottom line.	**Primary Performance Measure** • The market value rate of return on the Transition Portfolio, which is included in the total return for the Heritage Fund.
• Invest in interest bearing securities (Canadian dollar issues; non-Canadian dollar issues would be swapped into Canadian dollars) that are rated at time of purchase a minimum of investment grade (BBB or equivalent) by a recognized rating agency or in the absence thereof by Alberta Revenue.	• Investments consistent with the objectives of the Transition Portfolio.	**Benchmark** • The market value rate of return for the Heritage Fund will be compared against the borrowing cost of the province on a moving four-year basis.
• Maintain sufficient liquidity to accommodate the transfers to the Endowment Portfolio.		
• Limit investments to the various categories of interest-bearing securities (% of market value): **Maximum (%)** Canada & Guaranteed .... No Limit Alberta .... 15 Other Provincial Debt .... 55 Municipal .... 5 Asset-backed .... 15 Private Corporate .... 10 Public Corporate .... 35 Mortgages .... 5 Other Sovereign[1] 5		• Measuring performance on a market value basis is the accepted standard in the investment industry because it should lead to the best long-term investment and liability management decisions. However, because Heritage Fund income and debt servicing costs are accounted for on a cost basis, a comparison of returns on a cost basis will also be reported and explained in relation to the market value results.

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[1] Would be swapped into Canadian dollars to eliminate currency risk.

(Continued...)

GOAL 1: EARN INCOME TO SUPPORT THE GOVERNMENT'S CONSOLIDATED FISCAL PLAN *(CONTINUED)*

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/ BENCHMARKS
• Transfer cash, short-term fixed income securities or other appropriate securities to the Endowment Portfolio to meet the requirement of transferring at least $1.2 billion (at cost) annually. Transfer for 2001-02 will be set at $1.2 billion to $3.6 billion. Cash forecasting is done to ensure that the appropriate type and amount of securities are available for transfer on a monthly basis (averages up to $300 million per month).	• Orderly transfer of assets from the Transition Portfolio to the Endowment Portfolio.	
• Reduce the Fund's investment in Alberta provincial corporations, subject to liability management considerations.	• The holdings of Alberta Social Housing Corporation (ASHC) debentures and Agriculture Financial Services Corporation (AFSC) debentures will be significantly reduced by 2001-02. Debentures will be paid out on interest rate re-set dates and the proceeds will be re-deployed within the Transition Portfolio[2].	
• Reduce investment limit for Alberta once investment in Alberta provincial corporation debt is reduced.	• Alberta limit reduced to 15%.	
• Reduce the Fund's investment in project loans. Remaining project loans include Vencap and Ridley Grain Ltd. with a total cost value of $97.1 million.		
• The Endowment Portfolio has a minimum weighting of 25% of assets in fixed income investments.	• Provides a stable source of income to the Province.	

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[2] To reduce the Fund's investment in debentures of these two provincial corporations, the General Revenue Fund (GRF) will borrow funds in the market and lend the funds to AFSC and lend, or grant, funds to ASHC. The Corporations will use the funds to repay the debentures held by the Heritage Fund Transition Portfolio generally on the dates when the interest rates on these debentures are re-set (every five years). In turn, the Fund will use this cash to invest in external assets.

GOAL 2: MAKE INVESTMENTS IN THE ENDOWMENT PORTFOLIO TO MAXIMIZE LONG TERM FINANCIAL RETURNS

STRATEGIES/OUTPUTS

- Invest Endowment Portfolio assets in accordance with the investment industry standard "Prudent Person Rule" which assigns the investment manager responsibility to restrict investment to assets that would be approved by a prudent investor.

- To diversify risk and enhance expected returns, allocate the Endowment Portfolio assets among the following asset classes and within the noted ranges (expressed as a % of the Endowment Portfolio's market value):

Asset Class	Holdings (%)
Interest-Bearing Securities[3]	25% to 45%
Equity[4]	75% to 55%

- Diversify investments within each subcategory of the asset classes set out above.

- The Investment Operations Committee (see Attachment A) will recommend minimum and maximum holdings for the asset classes and review periodically the benchmarks to be used in measuring performance.

- The Investment Management Division of Alberta Revenue will vary the allocation of assets within the above policy ranges based on the outlook for financial markets.

- The Investment Operations Committee will determine the extent of use of external investment managers to manage portions of the Endowment Portfolio, and the criteria for their selection.

OUTCOMES

- The market rate of return on the Portfolio is expected to exceed the cost of the Province's debt.

- The Portfolio is expected to generate a real rate of return of 5% at an acceptable level of risk over a moving four-year period.

- Market rate of return is expected to be greater than a passively invested benchmark portfolio.

PERFORMANCE MEASURES/ BENCHMARKS

Performance Measures

- The market value rate of return will be compared against the borrowing cost of the province on a moving four-year basis.

- The market value rate of return will be compared against the level of inflation to determine whether the long term capital market assumptions on which the investment policy is based are achieving the returns relative to expectations.

- The market value rate of return will be compared against a "policy benchmark return" to determine the impact of fund management on performance.

Asset Class	Policy Allocation	Benchmark Return Index
Money market	2%	SC 91-day T-Bill
Bonds	33%	SC Universe
Subtotal	35%	
Canadian Equity	23%	TSE 300
Foreign Equity	35%	
U.S.	17.5%	S&P 500
EAFE	17.5%	MSCI EAFE
Real Estate	7%	RCPI
Subtotal	65%	
Total	100%	

- The market value rate of return will be compared against a sample of other large pension and endowment funds to measure whether the investment policy is resulting in competitive fund returns.

- The returns on the real estate component will be adjusted to reflect a comparable calculation base with the RCPI.

- Each external manager mandate is tied to an appropriate market index as a benchmark.

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[3] Includes money market instruments, bonds and mortgages.

[4] Includes Canadian public and private equities, foreign equities and Canadian real estate. Foreign investments will be limited to 40% of market value.

GOAL 3: TO IMPROVE ALBERTANS' UNDERSTANDING AND THE TRANSPARENCY OF THE ALBERTA HERITAGE SAVINGS TRUST FUND

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/ BENCHMARKS
• Release quarterly and annual reports on a timely basis. • Release summary reports of the Heritage Fund's investment activities and results for Albertans on a timely basis. • Publish the Heritage Fund business plan annually. • The Legislature's Standing Committee will hold annual public accountability meetings around Alberta to report on the Fund's results and to answer questions on the Fund's performance.	• Improved understanding by Albertans of the management, operations and performance of the Heritage Fund.	**Performance Measures** • Timeliness of reports and public accountability meetings. • Satisfaction of Albertans regarding information provided about the Fund. **Benchmark** • Annual report will be released by June 30 of each year. • Quarterly reports will be released within two months after the conclusion of the quarter. • The Standing Committee will hold public accountability meetings around the province in the fall of each year.

MANAGEMENT AND ACCOUNTABILITY

- A clear mission statement and new investment objectives for the Heritage Fund have been established in legislation.
- A Standing Committee of the Legislature has been established to provide overall direction, evaluate the performance of the Fund and report regularly to Albertans.
- The Investment Operations Committee reviews and recommends to the Minister of Revenue the business plan, annual report and the investment policies for the Fund. It also reviews and approves financial statements and quarterly reports. The Committee includes a majority of private sector members with relevant financial and business expertise.
- Ongoing investment decisions will be made within Alberta Revenue consistent with the allocation of responsibilities set out in Attachment A.
- For each component of the Fund that is externally managed, an investment management mandate describing its purpose, goals and constraints will be established.
- The investment management mandates of external managers will be consistent with this Business Plan.
- The Auditor General is the auditor of the Fund.
- There are restrictions on the kind of investments that can be made. Fund assets are to be invested prudently and cannot be used directly for economic development or social investment purposes.

INCOME AND EXPENSES

- The rates of return on, and the income from, the Fund likely will become more volatile as the Endowment Portfolio grows and as equity investments increase. While equity investments have historically, over long periods of time, provided higher rates of return than fixed income investments they are also significantly more volatile. Capital gains on traditional equity investments are not recognized as income until the investment is sold, so strong performance reflected in rates of return may not be reflected in income for some time. Unlike traditional equity instruments, income and expenses on equity index swaps are accrued as earned, as a result, market value gains and losses are realized as they occur.
- Following are current projections of Heritage Fund income based on the assumptions noted. Actual results will vary from projected income depending on the extent to which actual interest rates and equity market returns vary from the assumptions used. Forecast investment income decreases in 2001-02 due to the lower current interest rate environment and the increasing investment in equities in the Endowment Portfolio, which contribute lower "current income".
- The income projections include:
    - interest income
    - dividend income
    - capital gains or losses only when they are realized, such as when an investment is sold
    - income and expense on index swaps and interest rate swaps accrued as earned

- The income projections **do not include:**
  - unrealized capital gains

Heritage Fund Income Forecast and Underlying Assumptions

	2000-01	2001-02	2002-03	2003-04
Forecast Investment Income[1]				
($ millions)				
Heritage Fund	787	582	753	891
Consolidated[2]	733	551	735	874
Assumptions				
1. Interest Rates (nominal)				
Transition Portfolio				
(re-investment rates)				
Money Market (3 months)	5.45%	4.75%	5.00%	5.00%
bonds (2-3 year rate)	5.70%	5.00%	5.25%	5.25%
Endowment Portfolio				
Fixed Income Securities	6.19%	6.19%	6.195	6.19%
2. Equities				
Estimated Income Rates[3]	4.7%	5.8%	6.7%	7.5%
3. Rates of Return on Equities[4]				
Canadian	9.12%	9.12%	9.12%	9.12%
Foreign	10.22%	10.22%	10.22%	10.22%
4. Endowment Portfolio Asset Mix				
Money Market	3%	2%	2%	2%
Bonds	37%	33%	33%	33%
Equities	65%	65%	65%	65%
Sensitivity Analysis ($ millions)				
1% change in interest rates[5]		33.3	45.0	47.2
1% change in equity returns		18.7	40.7	58.%

[1] Based on January 2001 forecast interest rates and anticipated capital gains and losses.

[2] Net of income from Heritage Fund holdings of Alberta government securities.

[3] Estimated equity income consists of estimated dividends and realized capital gains.

[4] Includes an assumed 1.62% dividend yield on Canadian equities and 1.22% on foreign equities, and reflects year-to-date market change. For the remaining years, the annual returns move to the long-term assumed rate of return.

[5] Impact of a 1% change over the three years on interest income only.

- Investment income is in part dependent on prevailing market conditions that are subject to occasional volatile movements. A significant portion of the current portfolio is invested in bonds, and has a predictable income stream. As these holdings mature, the future income will be increasingly dependent on the prevailing market conditions at the time of re-investment.

- The income projections for the Heritage Fund are net of estimated investment expenses as outlined below. The investment expenses include both direct and indirect administrative expenses, which include staff time, supplies and services and investment transaction and advisory services.

Heritage Fund Investment Expenses
(millions of dollars)

	2000-01	2001-02	2002-03	2003-04
Direct	1.7	2.0	2.4	2.4
External/Internal Managed Pools	5.6	7.6	10.0	10.0
Total	7.3	9.6	12.4	12.4
As a % of Assets	0.06%	0.08%	0.10%	0.10%

ATTACHMENT A

HERITAGE FUND ALLOCATION OF RESPONSIBILITIES

- The *Alberta Heritage Savings Fund Act* sets out the governance structure for the Heritage Fund. The general division of responsibilities is described below.

Standing Committee on the Alberta Heritage Savings Trust Fund

(A Committee of the Legislative Assembly)

1. Review and approve annually the Business Plan for the Heritage Fund.
2. Receive and review quarterly reports from the Minister of Revenue on the operation and results of the operation of the Heritage Fund and make them public.
3. Approve and release the Heritage Fund Annual Report on, or before, June 30 following the conclusion of the fiscal year for which the annual report was made.
4. Review after each fiscal year end the investment activities and the performance of the Heritage Fund and report to the Legislative Assembly as to whether the mission of the Heritage Fund is being fulfilled.
5. Hold public meetings with Albertans on the Heritage Fund's investment activities and results.

Treasury Board

1. Annually review and approve the Business Plan of the Heritage Fund.

Minister of Revenue

1. Approve the Statements of Investment Policy for each portfolio, including any proposed changes thereto.
2. Approve and present the annual Business Plan of the Heritage Fund to Treasury Board and to the Standing Committee.

Investment Operations Committee

1. Review and recommend the Business Plan to the Minister of Revenue for transmittal to Treasury Board and the Standing Committee.
2. Review and recommend the investment policy statements for the Endowment Portfolio and the Transition Portfolio to the Minister of Revenue.
3. Review and approve the financial statements and recommend the annual report.
4. Approve the quarterly reports for transmittal to the Standing Committee.
5. Advise on the extent of use of external managers and the criteria for selection.

Alberta Revenue

1. Serve as investment manager of the assets of the Heritage Fund.
2. Prepare and recommend a Business Plan to the Investment Operations Committee and the Minister of Revenue.
3. Prepare, and recommend to the Investment Operations Committee and the Minister of Revenue, Statements of Investment Policy for each portfolio and any proposed changes to the investment policies.
4. Prepare a quarterly report on the investment activities and results of the Heritage Fund, including income forecasts.
5. Prepare financial statements for the Heritage Fund.
6. Prepare the annual report of the Heritage Fund.

ATTACHMENT B

DESCRIPTION OF BENCHMARK INDICES FOR THE ENDOWMENT FUND

Scotia Capital 91-day T-Bills Index (SC 91-day T-Bill Index)
Reflects the performance of the Canadian money market as measured by investments in 91-day Treasury Bills.

Scotia Capital Universe Bond Index (SC Universe Index)
Covers all marketable Canadian bonds with terms to maturity of more than one year. The purpose of this index is to reflect performance of the broad Canadian bond market in a manner similar to the way the TSE 300 represents the Canadian equity market.

Toronto Stock Exchange 300 Total Return Index (TSE 300 Index)
An index of 300 stocks, in 14 subgroups, listed on the Toronto Stock Exchange, designed to represent the Canadian equity market. It is a capitalization-weighted index calculated on a total return basis.

Standard & Poor's 500 Index (S & P 500 Index)
Covers 500 industrial, utility, transportation and financial companies of the US markets, mostly New York Stock Exchange issues. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

Morgan Stanley Capital International Europe, Australia, Far East Index (MSCI EAFE Index)
An index of over 900 securities listed on the stock exchanges of countries in Europe, Australia and the Far East. The index is calculated on a total return basis, which includes re-investment of gross dividends before deduction of withholding taxes.

Russell Canadian Property Index (RCPI)
An index comprised of institutionally held real estate investments consisting of over 1,100 properties distributed across Canada.

ATTACHMENT C

GLOSSARY

active management
Attempts to achieve portfolio returns greater than a specific index while controlling risk, either by forecasting broad market trends or by identifying particular mispriced sectors of a market or securities in a market. The opposite of passive management.

asset allocation
The investment process by which the investment manager chooses or allocates funds among broad asset classes such as stocks and bonds.

asset-backed securities
These are debt instruments collateralized by a pool of assets such as automobile loans or equipment leases.

asset (or investment) class
Refers to a broad category of investments with similar characteristics (the typical asset classes are cash, stocks, bonds and real estate).

benchmark index
A statistical yardstick tracking the ups and downs of a particular market by monitoring a representative group of securities over time. For example, the Scotia Capital Universe Bond Index is a benchmark index that is designed to reflect the changes in the Canadian bond market.

bond
A financial instrument representing a debt where the issuer (corporation or government) promises to pay to the holder a specific rate of interest over the life of the bond. On the bond's maturity date, the principal is repaid in full to the holder.

capital gain (or capital loss)
The market value received on the sale of an asset, which is higher (lower) than its purchase price (also called cost). If an asset is bought for $50 and sold for $75, the realized capital gain or profit is $25.

diversification
The allocation of investment assets within an asset class and among asset classes. In general, the greater the number of holdings within an asset class and among asset classes, the greater the diversification, which reduces risk.

dividends
Earnings distributed to shareholders of a company proportionate to their ownership interest.

duration (or modified duration)
Modified duration is a measure of price volatility and is the weighted average term to maturity of the security's cash flows (i.e., interest and principal), with weights proportional to the present value of the cash flows. Bonds with a longer duration are more price sensitive to interest rate changes than bonds with short durations.

equities
Equities are synonymously called stocks or shares and represent an ownership interest in a company (could be either a public or private firm). The shareholder normally has voting rights and may receive dividends based on their proportionate ownership.

inflation
Increases in the general price level of goods and services. Inflation is one of the major risks to investors over the long-term as savings may actually buy less in the future.

interest-bearing securities
Investments which are required to pay a fixed interest rate at periodic intervals such as bonds, mortgages and debentures.

investment grade
An investment grade bond is rated a minimum of BBB (or equivalent) by a rating agency, with AAA being the highest grade. Bonds rated below BBB are generally classified as being speculative grade and carry higher levels of credit risk than investment grade bonds (i.e., they have a higher probability of default on interest or principal payments).

long-term
A long-term investment horizon in the context of the Endowment Portfolio means a period of time that would include two business cycles, which would generally mean about 10 years.

market value rate of return
An annual percentage, which measures the total proceeds returned to the investor per dollar invested. Total proceeds for market value rates of return = "money in the bank" plus paper profits or losses (paper profits or losses are also called unrealized capital gains or losses). "Money in the bank" means cash interest and dividends and realized capital gains or losses from selling the investment.

median return
The median return of a group of investment managers reflects the return associated with the manager ranked at the 50th percentile (the 50th percentile is that point where half the managers had a higher return, and half the managers had a lower return).

money market instruments
Debt instruments such as Treasury Bills or corporate paper with a maturity of less than one year.

Mortgage-Backed Securities (MBS)
A debt instrument that has an ownership claim in a pool of mortgages or an obligation that is secured by such a pool.

mortgage investment
A debt instrument collateralized by real assets (e.g., a building) and requiring periodic payments consisting of interest and principal.

nominal rate of return
A measure of the earnings performance of a fund measured in current dollars.

passive management
Buying or investing in a portfolio that represents a market index without attempting to search out mispriced sectors or securities. The opposite of active management.

portfolio
A collection of investments owned by an investor.

real rate of return
The nominal rate of return minus the rate of inflation.

realized/unrealized
Terms generally used to describe capital gains or losses. A gain or loss is generally realized when an asset is sold; prior to sale the gain or loss is unrealized and it is only a potential or "paper" gain or loss.

THE FUTURE

MEETING PRIORITIES SHARING BENEFITS

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